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JUNE 1985 QUARTERLY REPORT

# Surveys of Consumer Attitudes

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July 12, 1985

Second Quarter Surveys
April-June 1985

## *BUYING ATTITUDES REGAIN PEAK LEVELS*

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***Highlights***

- In the second quarter 1985 survey, the Index of Consumer Sentiment was 94.3, insignificantly below the 94.5 recorded one quarter earlier, and just 5.2 Index-points below the 1984 cyclical peak of 99.5. The Index has remained at very favorable levels for over two years, with the second quarter figure above the two year earlier reading of 91.5. This represents the longest period of sustained optimism since the 1960s. Recent declines in interest rates have heightened favorable buying attitudes and supported a more favorable outlook for the economy as a whole.

- Among families with incomes of $25,000 or more, the Index was 104.2 in the second quarter 1985 survey, below the 105.7 recorded one year earlier, but above the two year earlier figure of 100.8.

- Lower interest rates and favorable perceptions of market prices have maintained buying attitudes at record favorable levels. In the second quarter 1985 survey, two-thirds of all families favorably rated current buying conditions for homes, vehicles, and large household durables.

- Although consumers expected slow economic growth during the year ahead in the second quarter survey, they expected it to be accompanied by low rates of inflation, and only to lead to small increases in unemployment. This outlook for slow but sustained growth, given the economic turbulence of past years, has supported the view that good times financially would continue in the country as a whole.

- Consumers' evaluations of their personal financial situation remained at favorable levels in the second quarter 1985 survey, despite slower income growth. Among all families, 41 percent reported financial improvement during the past year, and 36 percent expected improvement during the year ahead. Importantly, just 11 percent of all families expected their financial situation to worsen during the year ahead.

- A favorable financial situation coupled with declines in interest rates supported consumers' willingness to use credit to finance major purchases. In the second quarter of 1985, 30 percent of all families reported their willingness to use credit, the highest proportion in nearly a decade.

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The persistence of consumer sentiment at very favorable levels points toward the maintenance of consumer sales at high levels through the start of 1986. Recent declines in interest rates on vehicle and mortgage loans have reestablished buying attitudes to cyclical peak levels. And despite slower income growth, consumers remain willing to use accumulated savings as well as to incur new debt in order to make major purchases.

***Buyer's Market:***
***Discounts Become The Norm***

In the second quarter 1985 survey, favorable attitudes toward buying conditions regained the cyclical peak levels that were first recorded two years earlier. The recent improvement in buying attitudes has been due to lower interest rates on consumer loans. In addition, favorable perceptions of market prices continue to support these positive buying attitudes.

While the extent of the current improvement has been comparable to prior cycles, the reasons given by consumers for holding these favorable buying attitudes have changed substantially. The cyclical peaks recorded in the 1970s were driven by an inflationary psychology, which created incentives to purchase in advance of the then escalating inflation rates. At the present time, very few consumers cite the advantage of buying in advance of rising prices. In contrast, the current recovery has been built on widespread reports of the availability of price discounts. It is now the positive appeal of discounted prices, not the negative pressures to act before further increases, that determines consumer reactions to prices.

Whereas the 1970s were characterized by higher and more variable inflation rates, in the 1980s, higher and more variable interest rates represent the primary source of uncertainty about future buying conditions. As a result, consumers now view interest rate trends as the most important factor in the timing of their purchases. While negative reactions by consumers to increases in interest rates have been repeatedly documented, only in the 1980s have declines in interest rates become a major factor in purchase decisions.

As a result of these changes in consumer attitudes, the availability of price and interest rate discounts has become the expected norm.

*Homes.* In the second quarter 1985 survey, the proportion of families that held favorable attitudes toward buying conditions for homes rose to 64 percent, reversing the small decline recorded in the second half of 1984, and equal to the cyclical peak first recorded in the second quarter of 1983. The highest proportion ever recorded was 65 percent in the second quarter of 1977.

Although home buying attitudes are now as favorable as in the late 1970s, the reasons underlying these favorable views are quite different. Whereas in the late 1970s, consumers evaluated buying conditions in terms of expected future prices, consumers now hold favorable perceptions of current

prices. At the 1977 peak, 46 percent supported their favorable views by referring to the advantages of buying-in-advance of rising prices. In comparison, at the 1984 peak, just 9 percent gave buy-in-advance price rationales. At the 1977 peak, just 4 percent of all families mentioned the availability of reduced home prices, compared with 22 percent that complained about high prices. In the second quarter 1985 survey, 17 percent mentioned the appeal of currently low home prices, while 14 percent viewed current prices as too high and cause for postponement. Throughout the past two years, favorable references to current home prices have outnumbered unfavorable references, a trend not seen since the 1960s.

In addition to shifting price perceptions, the current recovery in attitudes is distinctive in its reliance on interest rate trends. In the second quarter 1985 survey, 49 percent of all families cited trends in mortgage interest rates in support of their favorable assessments. At the 1977 peak, in comparison, just 12 percent of all families favorably mentioned interest rates when asked to explain their views. During the past year, the reasons underlying these favorable references to mortgage interest rates have shifted from the appeal of borrowing-in-advance of expected increases to the current availability of lower rates. In the second quarter 1985 survey, 40 percent of all families mentioned the current availability of reduced mortgage interest rates, up from 25 percent one year earlier (see Table A). References to the advantages of borrowing-in-advance of future increases in mortgage rates fell to 9 percent in the second quarter of 1985 from a peak of 20 percent one year earlier.

*Vehicles*. In the second quarter 1985 survey, favorable attitudes toward buying conditions for cars reached new record levels. Among all families, 67 percent held favorable car buying attitudes, just above the prior record of 65 percent set in the second quarter of 1983. The recent improvement, which completely offset the small decline recorded in late 1984, was due to the increased availability of reduced prices and interest rates on vehicle loans. During the past six months, references to price discounts rose to 26 from 18 percent, and references to the current availability of reduced interest rates on vehicle loans rose to 26 from 12 percent.

*Household Durables*. In both the first and second quarter 1985 surveys, 74 percent of all families held favorable attitudes toward buying conditions for large household durables. This is the highest proportion ever recorded, just above the prior record of 72 percent recorded in the second quarter

of 1984. The maintenance of buying attitudes at these very favorable levels has been due to favorable perceptions of current prices. Among all families in the second quarter 1985 survey, 37 percent mentioned the availability of price discounts on household durables, just below the all time record of 41 percent recorded one quarter earlier. Just 10 percent of all families complained about high prices in the second quarter 1985 survey. On balance, these trends represent the most favorable perceptions of market prices for large household durables since the 1960s.

***Personal Finances Remain Favorable***

Consumers' evaluations of their own financial situation have remained unchanged at favorable levels since the start of 1985. In the first and second quarter 1985 surveys, 41 percent of all families reported that their financial situation had improved, just below the cyclical peak of 45 percent recorded in the first half of 1984. The small decline since 1984 has been due to slower growth in family incomes. Despite this small decline, personal financial evaluations have been more favorable during the past year than during the prior ten years. The primary reason for the sustained improvement in personal finances has been the sustained declines in inflation. This stands in sharp contrast to the pattern recorded during the economic recovery of the late 1970s, when personal finances were increasingly strained by escalating inflation.

Consumers continue to favorably view prospects for their financial situation during the year ahead, in large part because they expect low inflation rates to be maintained. Among all families in the second quarter 1985 survey, 36 percent expected their financial situation to improve, just below the 37 percent recorded one year earlier. Only 11 percent of all families expected their financial situation to worsen during the year ahead. Families' evaluations of their overall financial situation have remained largely unchanged during the past year, reflecting the offsetting impact of slower expected growth in incomes as well as prices. Among all families in the second quarter 1985 survey, the proportion that expected income increases fell to 57 percent from 62 percent one year earlier, and the proportion that expected increases of 6% or more fell to 30 from 36 percent. At the same time, the expected annual rate of inflation fell to 4.9% in the second quarter 1985 survey from 5.3% one year earlier.

The maintenance of personal finances at favorable levels, coupled with declines in interest rates have led consumers to be more willing to use credit to finance major purchases. In the second quarter 1985 surveys, 30 percent of all families reported that they were not reluctant to use credit, just above the 29 percent recorded one year earlier, and the highest level recorded in nearly a decade (see Table B). Willingness to use accumulated savings to make major purchases was reported by 40 percent of all families in the second quarter of 1985, just below the record 42 percent recorded one year earlier (see Table C).

***Prolonged Slow Growth Expected, But No Recession***

Although the rapid upward momentum in the national economy has now ended, few consumers expect the economy to slide into recession during the year ahead. Even the slow pace of economic growth expected during the year ahead, following the strong recovery, has meant to consumers the continuation of good times financially in the country as a whole. These favorable overall assessments of economic prospects reflect the substantial positive influence of continued low rates of inflation, partially offset by rising concerns with the more limited job prospects due to slower growth.

In the second quarter 1985 survey, the proportion of families that thought the national economy had improved during the past year was 53 percent, down from 68 percent in the second quarter of 1984. The proportion of families that expected the economy to improve during the year ahead fell to 28 percent in the second quarter 1985 survey, from the cyclical peak of 52 percent in the second quarter of 1983. Most of this decline was recorded one year ago, when the proportion that expected improvement fell to from 52 to 31 percent from 1983 to 1984. During the past year only a small further decline was recorded—from 31 to 28 percent.

Although the proportion of families that expected further improvements has fallen sharply in the last two years, only a small increase was recorded in the number of families that expected worsening economic conditions. Much of the shift in opinion was toward the expectation of an unchanged economy, and much of this shift was recorded one year ago. In the second quarter 1985 survey, 55 percent of all families expected unchanged business conditions, just above the 53 percent recorded one year ago, but

significantly above the 39 percent recorded two years earlier. Just 15 percent of all families in the second quarter 1985 survey expected the economy to worsen, up from 14 percent in 1984 and 7 percent in 1983.

Good times financially in the economy as a whole were expected by 57 percent of all families in the second quarter 1985 survey, only marginally below the 61 percent recorded both one and two years earlier. Although the 1985 figure is the lowest recorded during the past two years, these assessments were nonetheless more favorable than at any other time since the 1960s.

Declines in the aggregate unemployment rate were expected by 18 percent of all families in the second quarter 1985 survey, down from 27 percent one year earlier, and the cyclical peak of 40 percent two years earlier. Rising unemployment rates were expected by 27 percent of all families in the second quarter of 1985, up from 20 percent one year earlier, and 15 percent two years earlier. The majority of families in the 1985 survey expected the unemployment rate to remain largely unchanged during the year ahead.

Interest rates were expected to increase during the year ahead by 42 percent of all families in the second quarter 1985 survey, just above the 39 percent recorded one quarter earlier, but substantially below the 66 percent recorded one year earlier. Declines in interest rates were expected by 21 percent of all families in the second quarter 1985 survey, down from 24 percent one quarter earlier, but above the 9 percent recorded in 1984.

***Summary Outlook***

The persistence of consumer sentiment at very favorable levels points toward the maintenance of consumer sales at high levels through the start of 1986. Recent declines in interest rates on vehicle and mortgage loans have reestablished buying attitudes to cyclical peak levels. And despite slower income growth, consumers remain willing to use accumulated savings as well as to incur new debt in order to make major purchases.

## *TABLE A*

## *REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS*

| Survey Date | Durables | | Houses | | Vehicles | |
|---|---|---|---|---|---|---|
| | Low Rates | BiA Rates | Low Rates | BiA Rates | Low Rates | BiA Rates |
| Jan-Mar 1980 | 1 | 3 | 2 | 7 | 1 | 2 |
| Apr-Jun 1980 | 1 | 2 | 6 | 3 | 2 | 1 |
| Jul-Sep 1980 | 3 | 2 | 16 | 9 | 2 | 1 |
| Oct-Dec 1980 | 1 | 2 | 3 | 8 | 1 | 2 |
| Jan-Mar 1981 | 1 | 1 | 1 | 4 | 2 | 1 |
| Apr-Jun 1981 | * | 2 | 3 | 4 | 2 | 1 |
| Jul-Sep 1981 | 1 | 1 | 3 | 4 | 3 | 1 |
| Oct-Dec 1981 | 1 | 1 | 2 | 2 | 4 | * |
| Jan-Mar 1982 | 1 | 1 | 4 | 3 | 3 | 1 |
| Apr-Jun 1982 | 1 | 1 | 4 | 2 | 8 | 1 |
| Jul-Sep 1982 | 2 | 1 | 7 | 3 | 6 | 1 |
| Oct-Dec 1982 | 5 | 1 | 25 | 5 | 18 | 1 |
| Jan-Mar 1983 | 7 | 1 | 35 | 5 | 31 | 1 |
| Apr-Jun 1983 | 12 | 2 | 48 | 9 | 38 | 2 |
| Jul-Sep 1983 | 11 | 2 | 36 | 11 | 30 | 3 |
| Oct-Dec 1983 | 6 | 1 | 29 | 10 | 18 | 2 |
| Jan-Mar 1984 | 8 | 2 | 36 | 11 | 19 | 3 |
| Apr-Jun 1984 | 7 | 5 | 25 | 20 | 14 | 6 |
| Jul-Sep 1984 | 6 | 3 | 22 | 14 | 13 | 6 |
| Oct-Dec 1984 | 8 | 3 | 30 | 9 | 12 | 3 |
| Jan-Mar 1985 | 9 | 2 | 41 | 8 | 22 | 2 |
| Apr-Jun 1985 | 10 | 2 | 40 | 9 | 26 | 3 |

NOTE: The proportions given above provide greater detail than is reported in the quarterly tables (see Tables 27, 29, and 31). The quarterly tables report the total proportion of respondents that made favorable references to credit conditions. The figures above divide this total into those respondents that referred to the current availability of low interest rates, and those that referred to borrowing-in-advance of rising interest rates.

***TABLE B***

***OPINIONS ABOUT WHETHER IT IS A GOOD TIME TO USE CREDIT FOR MAJOR PURCHASES***

| Survey Date | Use of Credit... OK; not reluctant | Pro-con | Not OK; reluctant | Don't know; NA | Total | # cases | Relative score |
|---|---|---|---|---|---|---|---|
| Jan-Mar 1976 | 20% | 5% | 74% | 1% | 100% | 1184 | 46 |
| Jan-Mar 1977 | 22 | 2 | 71 | 5 | 100 | 1203 | 51 |
| Jan-Mar 1978 | 20 | 2 | 77 | 1 | 100 | 1135 | 43 |
| Jan-Mar 1979 | 16 | 1 | 82 | 1 | 100 | 1228 | 34 |
| Jan-Mar 1980 | 19 | 1 | 80 | * | 100 | 901 | 39 |
| Jul-Sep 1980 | 15 | 1 | 83 | 1 | 100 | 1793 | 32 |
| Jan-Mar 1981 | 12 | * | 86 | 2 | 100 | 2069 | 26 |
| Jul-Sep 1981 | 13 | 1 | 83 | 3 | 100 | 2071 | 30 |
| Jan-Mar 1982 | 13 | 1 | 85 | 1 | 100 | 2088 | 28 |
| Jul-Sep 1982 | 12 | 1 | 85 | 2 | 100 | 2083 | 27 |
| Jan-Mar 1983 | 17 | 1 | 79 | 3 | 100 | 1391 | 38 |
| Jul-Sep 1983 | 27 | 1 | 71 | 1 | 100 | 2057 | 56 |
| Oct-Dec 1983 | 26 | 1 | 71 | 2 | 100 | 1390 | 55 |
| Jan-Mar 1984 | 29 | * | 69 | 2 | 100 | 2068 | 60 |
| Apr-Jun 1984 | 29 | * | 69 | 2 | 100 | 1075 | 60 |
| Jul-Sep 1984 | 27 | * | 72 | 1 | 100 | 2029 | 55 |
| Oct-Dec 1984 | 27 | 1 | 71 | 1 | 100 | 2110 | 56 |
| Jan-Mar 1985 | 28 | * | 71 | 1 | 100 | 1295 | 57 |
| Apr-Jun 1985 | 30 | * | 69 | 1 | 100 | 1988 | 61 |

* Less than 0.5 percent.

The question was: "If there were something that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

## *TABLE C*

## *OPINIONS ABOUT WHETHER IT IS A GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES*

–(Percentage distribution of families with savings)

| Survey Date | Use of Savings... OK; not reluctant | Pro-con | Not OK; reluctant | Don't know; NA | Total | # cases | Relative score |
|---|---|---|---|---|---|---|---|
| Jan-Mar 1976 | 33% | 6% | 59% | 2% | 100% | 1184 | 74 |
| Jan-Mar 1977 | 37 | 3 | 56 | 4 | 100 | 1097 | 81 |
| Jan-Mar 1978 | 32 | 3 | 62 | 3 | 100 | 1135 | 70 |
| Jan-Mar 1979 | 32 | 3 | 63 | 2 | 100 | 1228 | 69 |
| Jan-Mar 1980 | 38 | 1 | 54 | 7 | 100 | 901 | 84 |
| Jul-Sep 1980 | 30 | 1 | 60 | 9 | 100 | 616 | 70 |
| Jan-Mar 1981 | 28 | 2 | 68 | 2 | 100 | 1955 | 60 |
| Jul-Sep 1981 | 29 | 1 | 68 | 2 | 100 | 2044 | 61 |
| Jan-Mar 1982 | 27 | 2 | 70 | 1 | 100 | 1945 | 57 |
| Jul-Sep 1982 | 25 | 1 | 72 | 2 | 100 | 1906 | 53 |
| Jan-Mar 1983 | 29 | 1 | 66 | 4 | 100 | 1275 | 63 |
| Jul-Sep 1983 | 36 | * | 62 | 2 | 100 | 1868 | 74 |
| Oct-Dec 1983 | 35 | 1 | 62 | 2 | 100 | 1370 | 72 |
| Jan-Mar 1984 | 40 | * | 57 | 3 | 100 | 1906 | 83 |
| Apr-Jun 1984 | 42 | * | 56 | 2 | 100 | 1921 | 86 |
| Jul-Sep 1984 | 40 | 1 | 58 | 1 | 100 | 1876 | 82 |
| Oct-Dec 1984 | 36 | 1 | 62 | 1 | 100 | 1926 | 74 |
| Jan-Mar 1985 | 36 | 1 | 62 | 2 | 100 | 1189 | 74 |
| Apr-Jun 1985 | 40 | * | 59 | 1 | 100 | 1852 | 81 |

*Less than 0.5 percent.

The question was: "If there were a major purchase that you wanted to make, do you think now is a time when it would be O.K. to use some of your savings or is now a time when you would be especially reluctant to use some of your savings?"

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SURVEYS OF CONSUMER ATTITUDES

# MONITORING ECONOMIC CHANGE PROGRAM

Institute for Social Research

# TABLES AND CHARTS

## SEPTEMBER 1985

The September 1985 survey is the 204th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Both recent change charts and historical series charts include quarterly data before 1978, and 3 month averages starting in January of 1978. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

(C) The University of Michigan, 1985

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CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

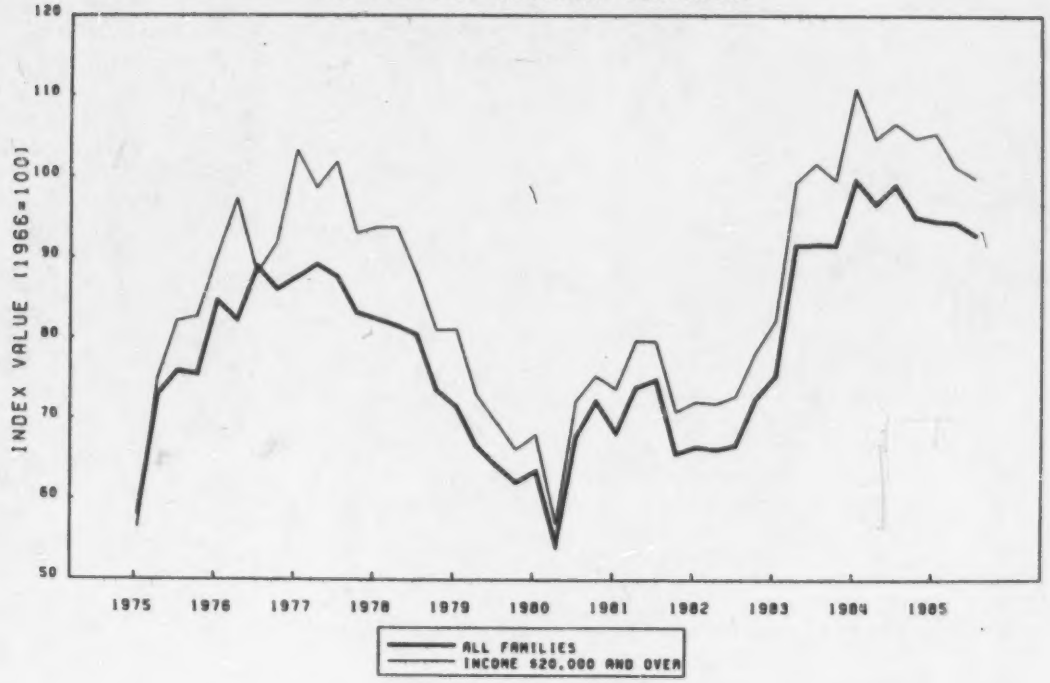



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

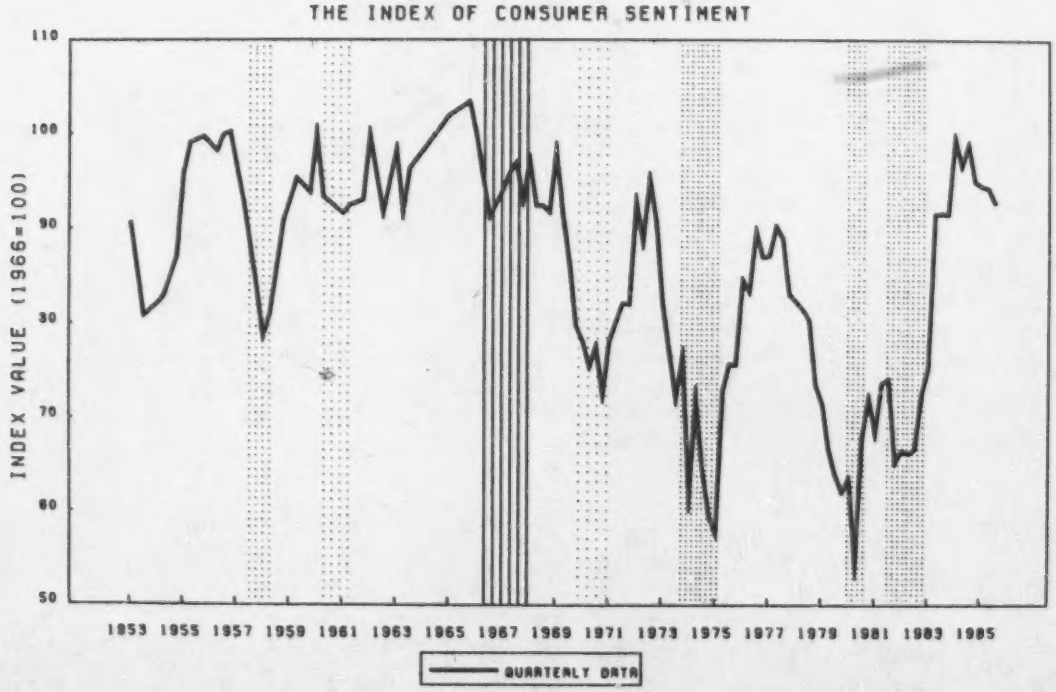


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | All families | Families with incomes over $20,000 | Families with incomes over $25,000 |
|---|---|---|---|
| July-Sep. 1978 | 80.4 | 88.0 | 88.3 |
| Oct.-Dec. 1978 | 73.5 | 81.0 | 83.0 |
| Jan.-Mar. 1979 | 71.5 | 81.1 | 81.7 |
| Apr.-June 1979 | 66.6 | 73.0 | 75.5 |
| July-Sep. 1979 | 63.9 | 69.6 | 71.2 |
| Oct.-Dec. 1979 | 62.1 | 66.7 | 69.5 |
| Jan.-Mar. 1980 | 63.5 | 68.0 | 69.6 |
| Apr.-June 1980 | 54.4 | 57.0 | 58.1 |
| July-Sep. 1980 | 67.8 | 72.2 | 73.3 |
| Oct.-Dec. 1980 | 72.1 | 75.3 | 78.3 |
| Jan.-Mar. 1981 | 68.3 | 73.7 | 76.1 |
| Apr.-June 1981 | 73.9 | 79.7 | 82.0 |
| July-Sep. 1981 | 74.8 | 79.6 | 80.1 |
| Oct.-Dec. 1981 | 65.7 | 70.9 | 71.8 |
| Jan.-Mar. 1982 | 66.5 | 72.1 | 72.8 |
| Apr.-June 1982 | 66.2 | 71.9 | 73.6 |
| July-Sep. 1982 | 66.7 | 72.8 | 74.6 |
| Oct.-Dec. 1982 | 72.5 | 78.3 | 80.8 |
| Jan.-Mar. 1983 | 75.3 | 82.2 | 83.0 |
| Apr.-June 1983 | 91.5 | 99.3 | 100.8 |
| July-Sep. 1983 | 91.6 | 101.5 | 104.1 |
| Oct.-Dec. 1983 | 91.5 | 99.5 | 101.7 |
| Jan.-Mar. 1984 | 99.5 | 110.8 | 113.2 |
| Apr.-June 1984 | 96.6 | 104.6 | 105.7 |
| July-Sep. 1984 | 98.9 | 106.5 | 107.9 |
| Oct.-Dec. 1984 | 95.0 | 104.7 | 106.3 |
| Jan.-Mar. 1985 | 94.5 | 105.3 | 107.6 |
| Apr.-June 1985 | 94.3 | 101.2 | 104.2 |
| July-Sep. 1985 | 92.8 | 99.8 | 102.1 |

CHART 2A - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

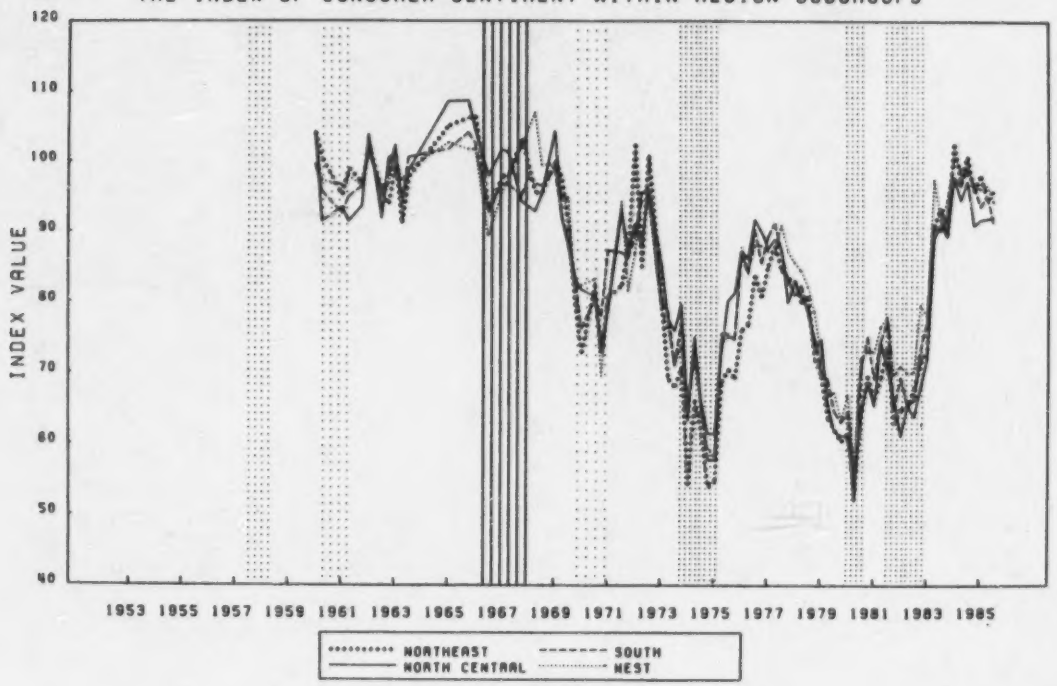



CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE GROUPS

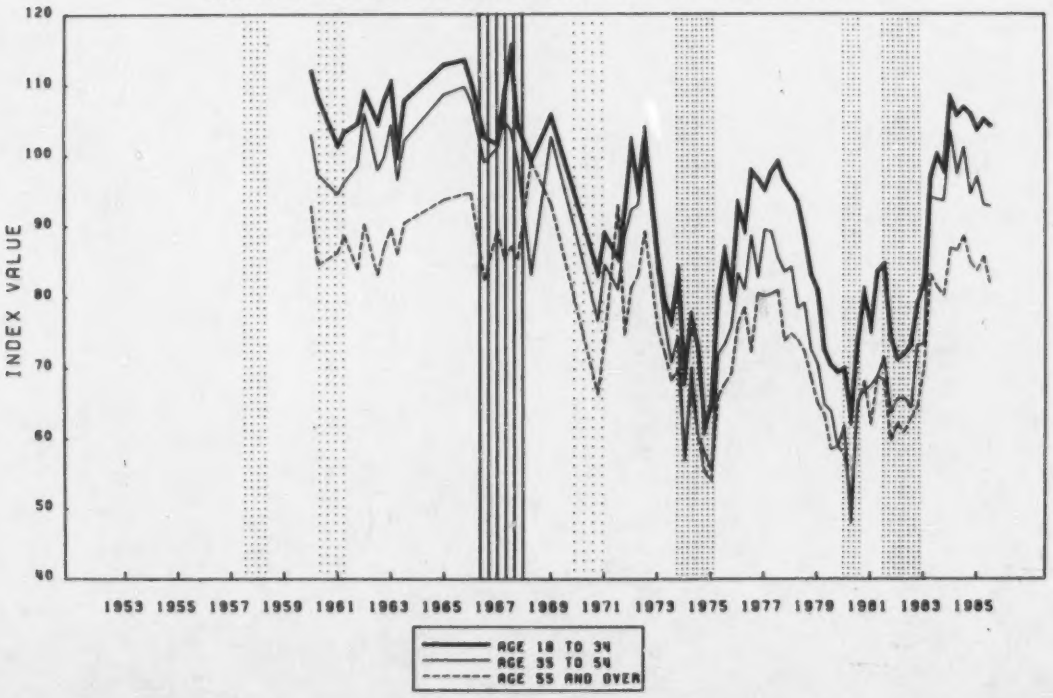


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

| DATE OF SURVEY | CENSUS REGION | | | | AGE OF RESPONDENT | | |
|---|---|---|---|---|---|---|---|
| | North East | North Central | South | West | 18-34 | 35-54 | 55+ |
| July-Sep. 1978 | 81.4 | 78.8 | 78.9 | 84.3 | 88.9 | 79.8 | 73.1 |
| Oct.-Dec. 1978 | 71.3 | 72.9 | 74.0 | 77.0 | 81.6 | 71.3 | 67.8 |
| Jan.-Mar. 1979 | 69.0 | 74.5 | 70.3 | 71.8 | 80.5 | 70.0 | 64.7 |
| Apr.-June 1979 | 63.3 | 65.7 | 69.3 | 66.9 | 72.4 | 64.9 | 63.3 |
| July-Sep. 1979 | 62.1 | 62.1 | 64.4 | 67.4 | 70.4 | 63.9 | 58.5 |
| Oct.-Dec. 1979 | 60.3 | 61.3 | 63.2 | 63.3 | 69.5 | 58.7 | 58.9 |
| Jan.-Mar. 1980 | 61.6 | 61.1 | 64.6 | 67.1 | 70.4 | 61.7 | 57.6 |
| Apr.-June 1980 | 53.3 | 55.6 | 52.1 | 57.3 | 63.1 | 47.9 | 51.1 |
| July-Sep. 1980 | 63.7 | 64.3 | 70.3 | 72.1 | 73.5 | 65.4 | 64.7 |
| Oct.-Dec. 1980 | 69.7 | 68.8 | 75.2 | 73.2 | 80.5 | 66.8 | 68.1 |
| Jan.-Mar. 1981 | 66.4 | 65.4 | 69.2 | 73.0 | 75.7 | 67.5 | 62.0 |
| Apr.-June 1981 | 69.3 | 74.4 | 74.6 | 76.7 | 83.6 | 68.8 | 66.8 |
| July-Sep. 1981 | 73.7 | 70.7 | 77.4 | 78.0 | 84.5 | 71.5 | 68.2 |
| Oct.-Dec. 1981 | 62.9 | 66.0 | 64.8 | 69.8 | 74.3 | 63.6 | 59.7 |
| Jan.-Mar. 1982 | 65.1 | 61.2 | 69.5 | 71.1 | 71.2 | 65.7 | 62.1 |
| Apr.-June 1982 | 65.0 | 65.4 | 65.5 | 70.0 | 71.9 | 65.8 | 60.9 |
| July-Sep. 1982 | 67.8 | 63.9 | 66.2 | 70.2 | 73.0 | 64.3 | 62.9 |
| Oct.-Dec. 1982 | 71.5 | 68.0 | 73.3 | 79.7 | 78.9 | 73.2 | 64.5 |
| Jan.-Mar. 1983 | 73.3 | 72.2 | 77.4 | 78.1 | 81.9 | 73.3 | 70.0 |
| Apr.-June 1983 | 90.8 | 89.1 | 91.0 | 97.5 | 96.9 | 94.0 | 83.1 |
| July-Sep. 1983 | 93.5 | 91.2 | 90.2 | 91.6 | 100.0 | 93.7 | 81.3 |
| Oct.-Dec. 1983 | 89.7 | 89.4 | 92.7 | 94.7 | 97.9 | 95.3 | 80.1 |
| Jan.-Mar. 1984 | 102.6 | 97.9 | 97.7 | 100.7 | 108.0 | 103.4 | 86.8 |
| Apr.-June 1984 | 97.1 | 94.6 | 96.6 | 99.0 | 105.7 | 97.3 | 86.5 |
| July-Sep. 1984 | 100.8 | 97.3 | 99.2 | 98.2 | 106.7 | 101.1 | 88.5 |
| Oct.-Dec. 1984 | 95.9 | 91.0 | 96.6 | 96.6 | 105.8 | 94.5 | 84.8 |
| Jan.-Mar. 1985 | 98.1 | 91.8 | 93.7 | 96.2 | 103.6 | 96.9 | 83.6 |
| Apr.-June 1985 | 94.8 | 92.0 | 95.2 | 96.7 | 105.0 | 92.9 | 85.6 |
| July-Sep. 1985 | 95.9 | 92.2 | 91.2 | 94.3 | 104.1 | 92.7 | 81.6 |

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

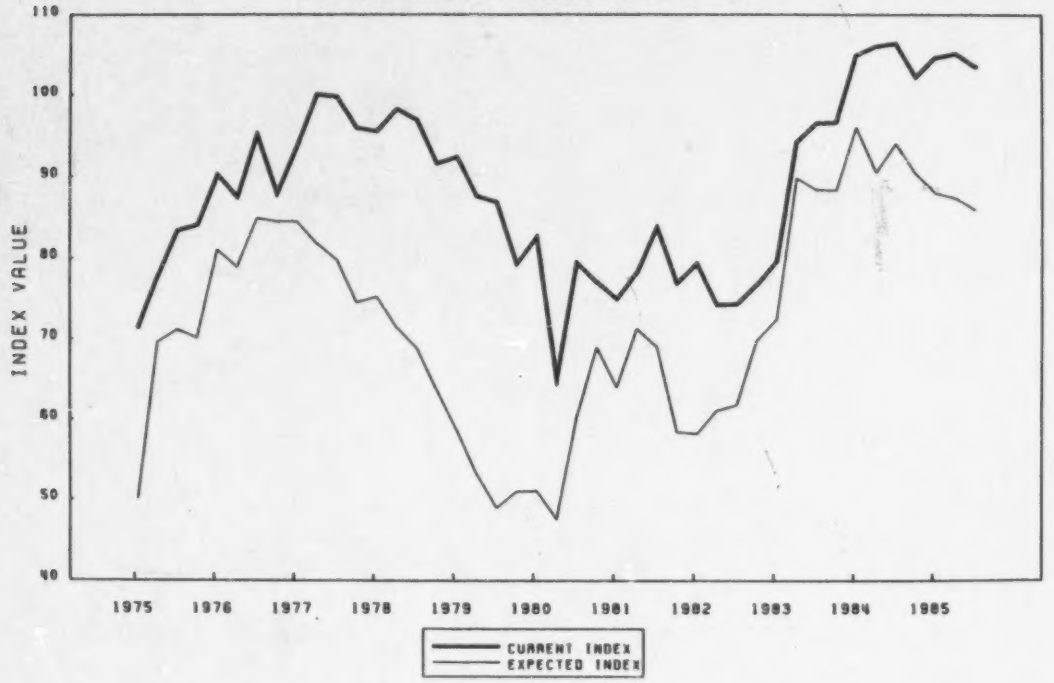



CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

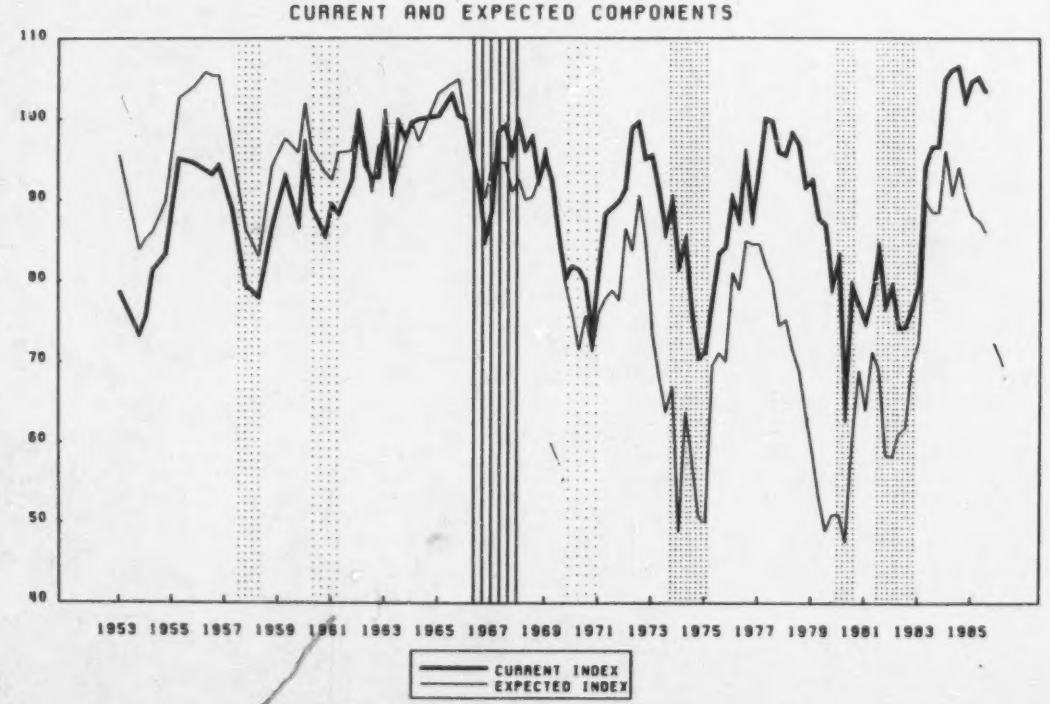


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

| DATE OF SURVEY | INDEX COMPONENTS + | | | | | | |
|---|---|---|---|---|---|---|---|
| | Personal finances | | Business conditions | | | | |
| | Current | Expected | 12 months | 5 years | Buying conds. | Current Index | Expected Index |
| | (1) | (2) | (3) | (4) | (5) | (1,5) | (2,3,4) |
| July-Sep. 1978 | 106 | 111 | 94 | 70 | 144 | 97.2 | 69.6 |
| Oct.-Dec. 1978 | 99 | 102 | 79 | 66 | 132 | 90.2 | 62.8 |
| Jan.-Mar. 1979 | 98 | 99 | 68 | 61 | 138 | 92.2 | 58.1 |
| Apr.-June 1979 | 89 | 92 | 58 | 57 | 135 | 87.6 | 53.2 |
| July-Sep. 1979 | 92 | 96 | 48 | 46 | 131 | 87.0 | 49.0 |
| Oct.-Dec. 1979 | 84 | 98 | 50 | 51 | 119 | 79.4 | 51.0 |
| Jan.-Mar. 1980 | 86 | 99 | 50 | 49 | 126 | 82.6 | 51.1 |
| Apr.-June 1980 | 77 | 98 | 35 | 51 | 88 | 65.0 | 47.6 |
| July-Sep. 1980 | 91 | 111 | 64 | 62 | 111 | 79.4 | 60.3 |
| Oct.-Dec. 1980 | 83 | 109 | 81 | 83 | 113 | 77.0 | 68.9 |
| Jan.-Mar. 1981 | 82 | 106 | 70 | 75 | 109 | 74.9 | 64.0 |
| Apr.-June 1981 | 88 | 114 | 89 | 79 | 112 | 78.2 | 71.2 |
| July-Sep. 1981 | 98 | 115 | 84 | 74 | 117 | 83.8 | 69.0 |
| Oct.-Dec. 1981 | 91 | 110 | 59 | 61 | 106 | 76.9 | 58.4 |
| Jan.-Mar. 1982 | 91 | 111 | 55 | 65 | 114 | 79.3 | 58.2 |
| Apr.-June 1982 | 91 | 113 | 61 | 69 | 100 | 74.2 | 61.1 |
| July-Sep. 1982 | 89 | 113 | 64 | 69 | 102 | 74.3 | 61.8 |
| Oct.-Dec. 1982 | 90 | 119 | 77 | 83 | 107 | 76.7 | 69.8 |
| Jan.-Mar. 1983 | 91 | 119 | 92 | 78 | 114 | 79.6 | 72.4 |
| Apr.-June 1983 | 106 | 132 | 131 | 99 | 137 | 94.2 | 89.8 |
| July-Sep. 1983 | 109 | 125 | 130 | 100 | 141 | 96.5 | 88.4 |
| Oct.-Dec. 1983 | 113 | 125 | 131 | 99 | 137 | 96.6 | 88.3 |
| Jan.-Mar. 1984 | 119 | 131 | 146 | 109 | 153 | 104.9 | 96.0 |
| Apr.-June 1984 | 121 | 126 | 133 | 106 | 154 | 106.0 | 90.5 |
| July-Sep. 1984 | 122 | 128 | 137 | 113 | 153 | 106.4 | 94.0 |
| Oct.-Dec. 1984 | 119 | 127 | 132 | 104 | 146 | 102.2 | 90.3 |
| Jan.-Mar. 1985 | 115 | 122 | 133 | 99 | 156 | 104.6 | 88.0 |
| Apr.-June 1985 | 116 | 125 | 127 | 99 | 157 | 105.1 | 87.4 |
| July-Sep. 1985 | 115 | 124 | 124 | 98 | 154 | 103.5 | 86.0 |

(1) : See Table 4.
(2) : See Table 6.
(3) : See Table 18.
(4) : See Table 19.
(5) : See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

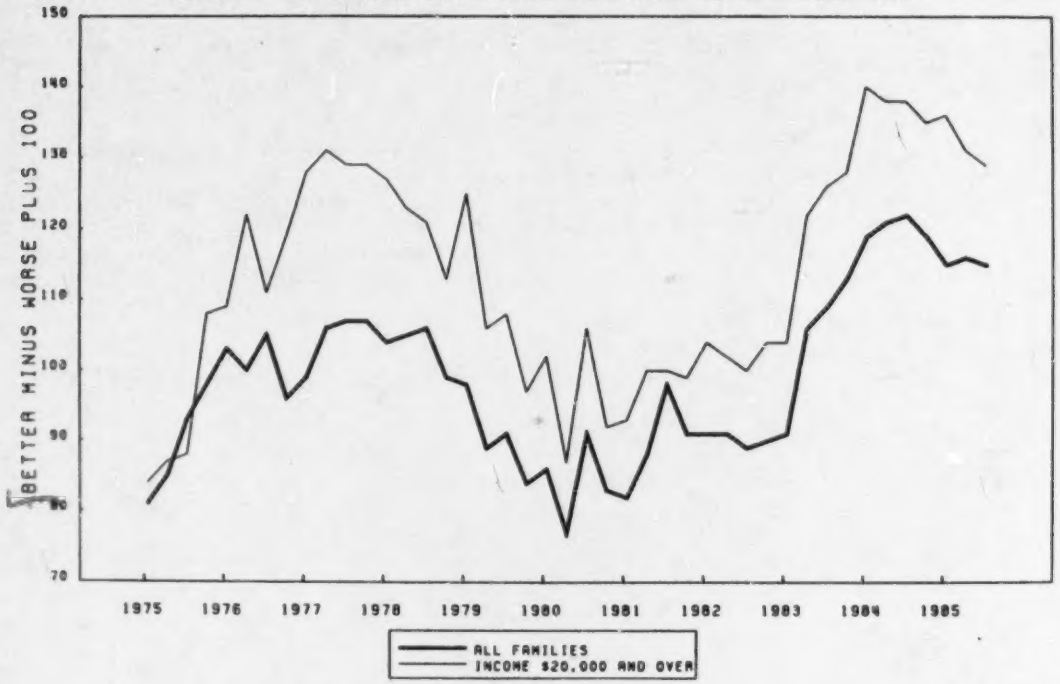



CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

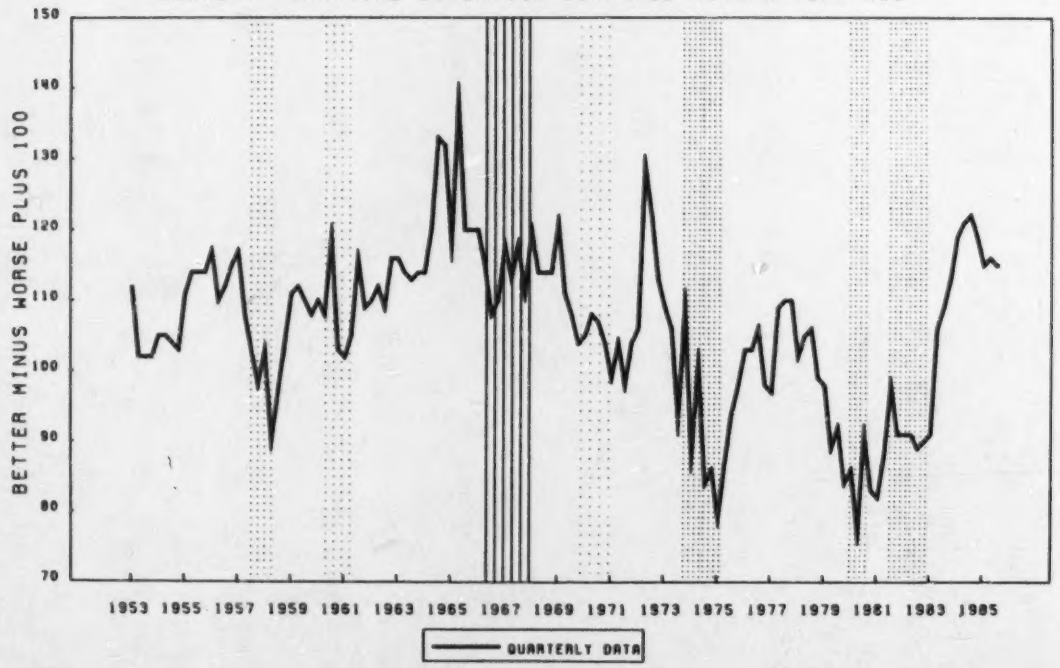


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| BETTER OFF | 30% | 31% | 30% | 37% | 38% | 40% | 45% | 45% | 45% | 44% | 41% | 41% | 42% |
| SAME | 28 | 28 | 31 | 32 | 33 | 33 | 30 | 31 | 32 | 30 | 33 | 33 | 30 |
| WORSE OFF | 41 | 41 | 39 | 31 | 29 | 27 | 25 | 23 | 23 | 26 | 26 | 26 | 27 |
| DK,NA | 1 | * | * | * | * | * | * | 1 | * | * | * | * | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| BETTER OFF | 36% | 40% | 37% | 47% | 48% | 48% | 57% | 55% | 54% | 54% | 54% | 51% | 51% |
| SAME | 29 | 25 | 30 | 29 | 29 | 32 | 26 | 28 | 30 | 27 | 28 | 29 | 26 |
| WORSE OFF | 35 | 35 | 33 | 24 | 23 | 20 | 17 | 17 | 16 | 19 | 18 | 20 | 22 |
| DK,NA | * | * | * | * | * | * | * | * | * | * | * | * | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

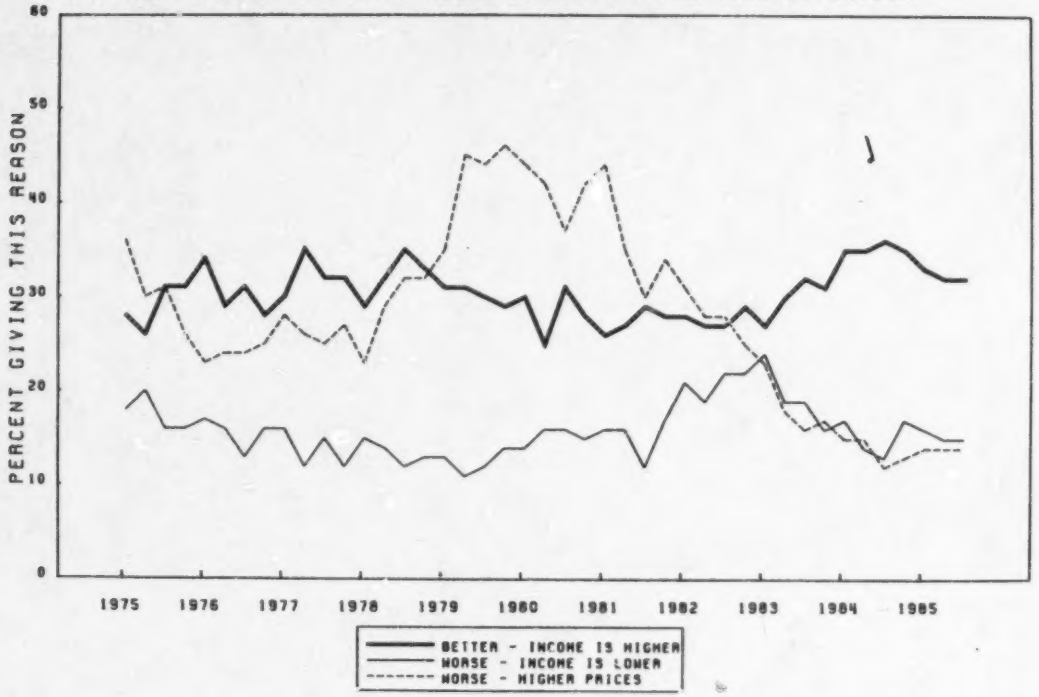



CHART 5 - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

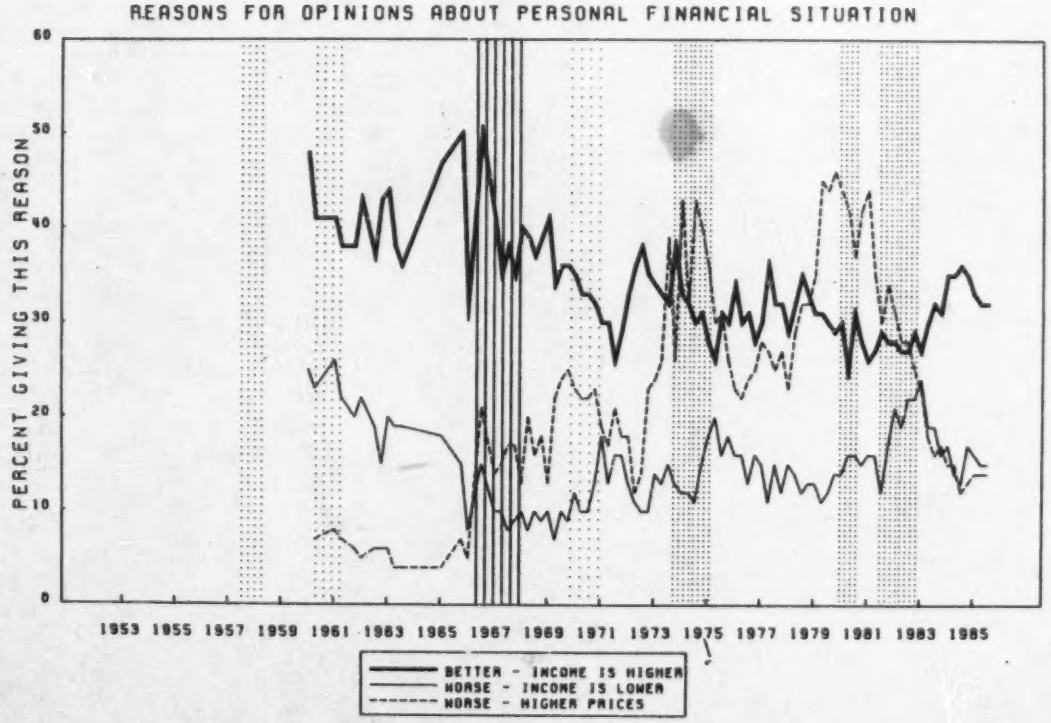


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 27% | 29% | 27% | 30% | 32% | 31% | 35% | 35% | 36% | 35% | 33% | 32% | 32% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 22 | 22 | 24 | 19 | 19 | 16 | 17 | 14 | 13 | 17 | 16 | 15 | 15 |
| Higher prices | 28 | 25 | 23 | 18 | 16 | 17 | 15 | 15 | 12 | 13 | 14 | 14 | 14 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| BETTER OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is higher | 33% | 37% | 34% | 38% | 43% | 38% | 46% | 43% | 45% | 45% | 44% | 41% | 41% |
| WORSE OFF THAN YEAR AGO: | | | | | | | | | | | | | |
| Income is lower | 22 | 21 | 22 | 17 | 17 | 13 | 12 | 12 | 10 | 16 | 12 | 14 | 15 |
| Higher prices | 24 | 23 | 20 | 15 | 12 | 14 | 10 | 11 | 10 | 9 | 11 | 10 | 11 |

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

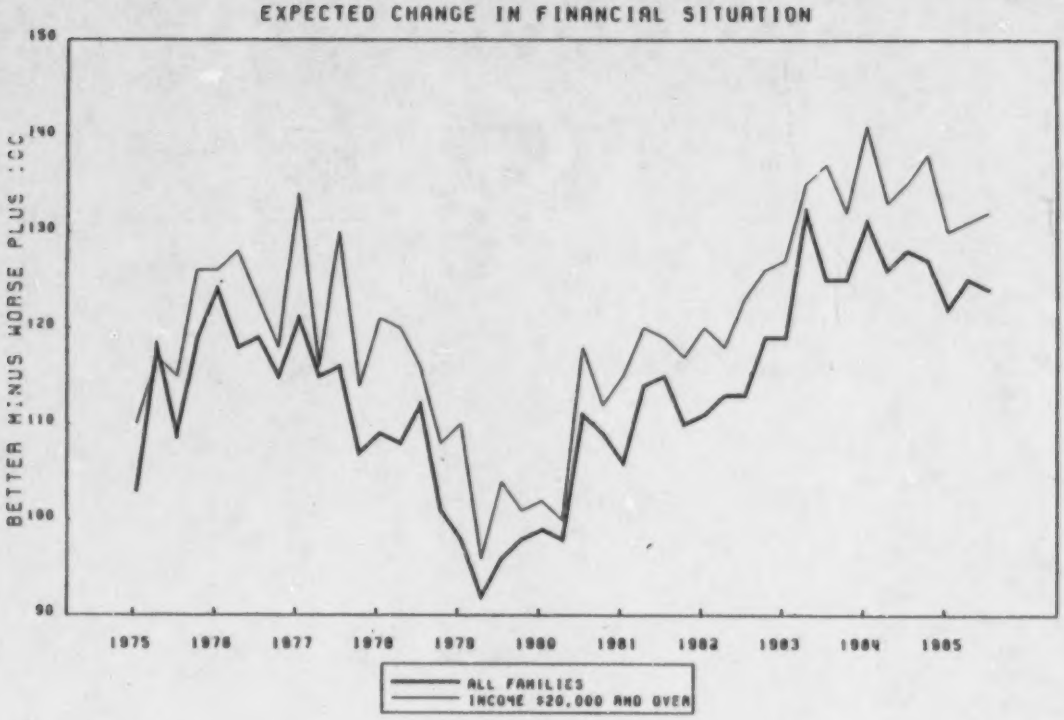



CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

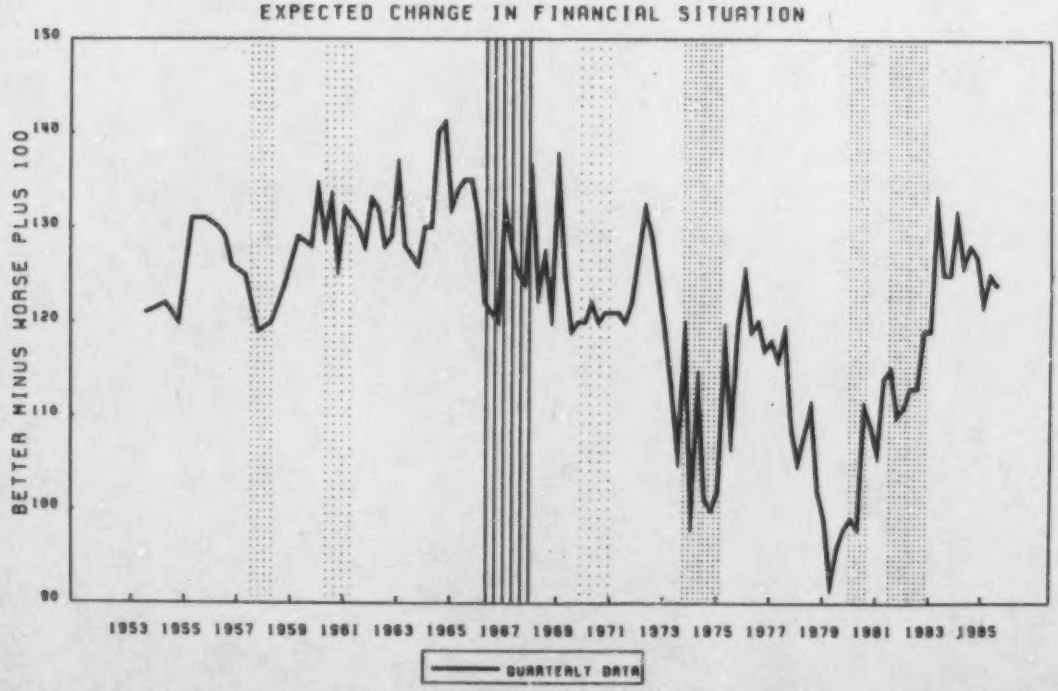


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| BETTER OFF | 31% | 35% | 35% | 40% | 36% | 37% | 41% | 37% | 37% | 38% | 35% | 36% | 35% |
| SAME | 48 | 45 | 46 | 49 | 49 | 48 | 46 | 49 | 50 | 48 | 50 | 50 | 50 |
| WORSE OFF | 18 | 16 | 16 | 8 | 11 | 11 | 10 | 12 | 9 | 11 | 12 | 11 | 12 |
| DK,NA | 3 | 4 | 3 | 3 | 4 | 4 | 3 | 2 | 4 | 3 | 3 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| BETTER OFF | 37% | 39% | 40% | 43% | 44% | 41% | 48% | 42% | 43% | 45% | 41% | 40% | 41% |
| SAME | 47 | 45 | 44 | 47 | 46 | 48 | 44 | 47 | 47 | 46 | 47 | 48 | 47 |
| WORSE OFF | 14 | 14 | 14 | 8 | 7 | 9 | 7 | 10 | 8 | 7 | 10 | 9 | 10 |
| DK,NA | 2 | 2 | 2 | 2 | 3 | 2 | 1 | 1 | 2 | 2 | 2 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

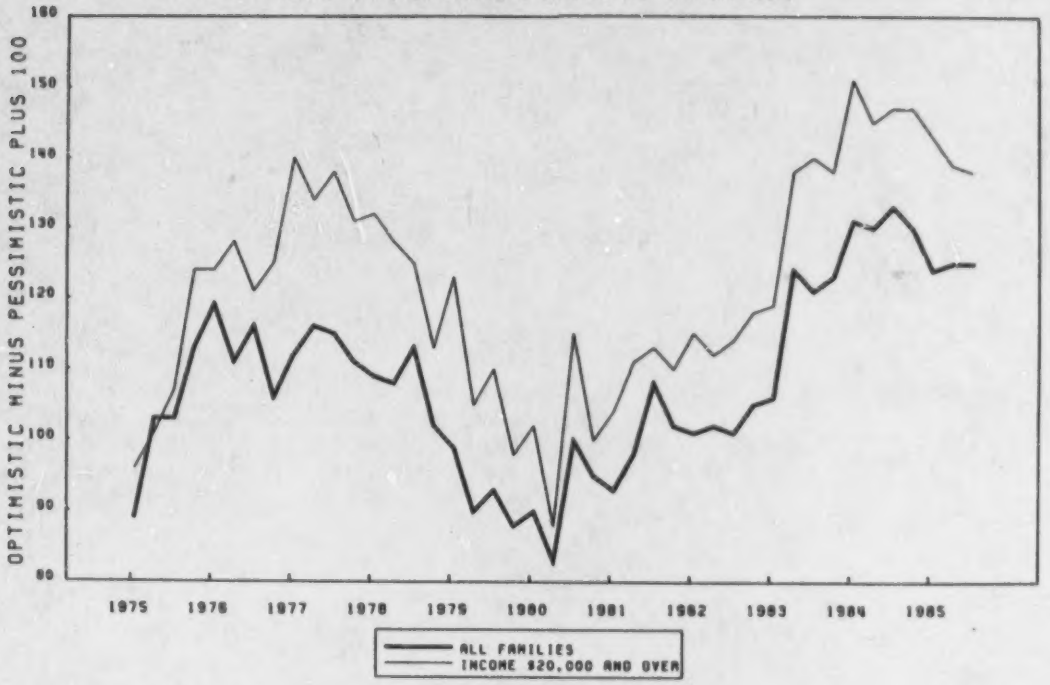



CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

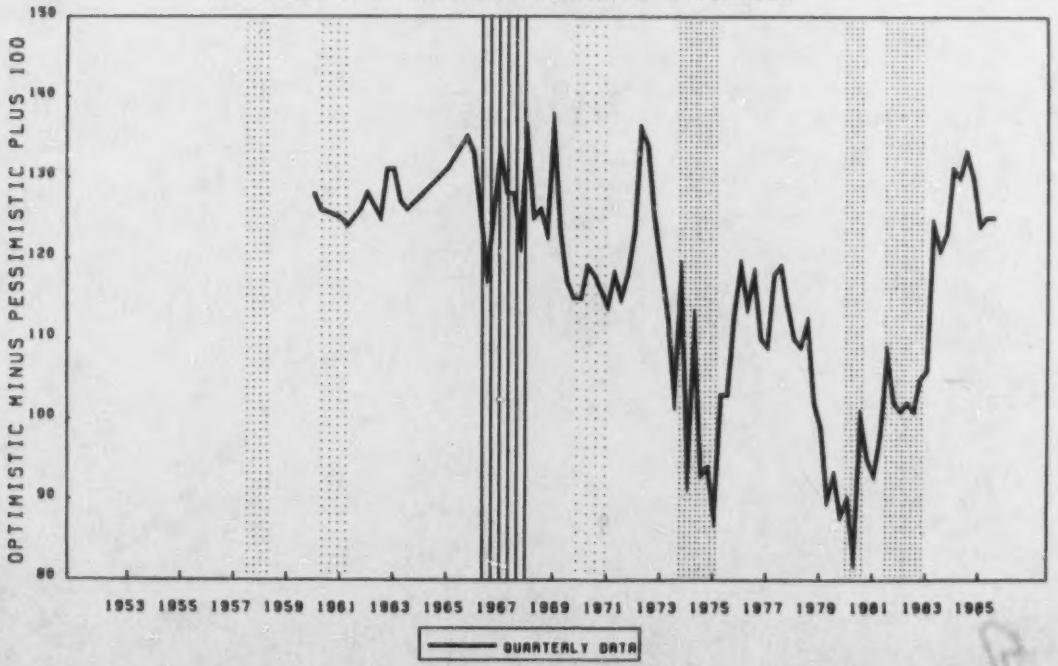


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 15% | 16% | 15% | 18% | 19% | 20% | 24% | 22% | 24% | 22% | 20% | 21% | 20% |
| Intermittent increase (b) | 19 | 20 | 21 | 25 | 25 | 24 | 26 | 26 | 27 | 28 | 26 | 26 | 25 |
| Remain unchanged (c) | 17 | 15 | 16 | 19 | 19 | 20 | 16 | 20 | 19 | 17 | 20 | 20 | 19 |
| Intermittent decline (d) | 22 | 20 | 21 | 17 | 17 | 16 | 16 | 13 | 14 | 15 | 16 | 16 | 14 |
| Continuous decline (e) | 12 | 11 | 9 | 4 | 6 | 6 | 4 | 5 | 5 | 5 | 5 | 6 | 7 |
| Mixed change (f) | 11 | 14 | 14 | 13 | 10 | 10 | 10 | 12 | 7 | 10 | 10 | 8 | 11 |
| DK,NA | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 2 | 4 | 3 | 3 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| PERSONAL FINANCIAL PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 19% | 20% | 19% | 23% | 25% | 25% | 32% | 27% | 29% | 28% | 26% | 26% | 26% |
| Intermittent increase (b) | 23 | 24 | 25 | 30 | 31 | 28 | 31 | 31 | 31 | 33 | 32 | 29 | 29 |
| Remain unchanged (c) | 16 | 14 | 15 | 16 | 16 | 20 | 15 | 17 | 17 | 13 | 16 | 17 | 16 |
| Intermittent decline (d) | 19 | 17 | 18 | 13 | 12 | 11 | 10 | 10 | 10 | 12 | 13 | 13 | 13 |
| Continuous decline (e) | 9 | 9 | 7 | 4 | 3 | 4 | 2 | 3 | 3 | 3 | 3 | 4 | 4 |
| Mixed change (f) | 12 | 13 | 14 | 12 | 10 | 10 | 9 | 11 | 8 | 9 | 9 | 8 | 10 |
| DK,NA | 2 | 3 | 2 | 2 | 3 | 2 | 1 | 1 | 2 | 2 | 1 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

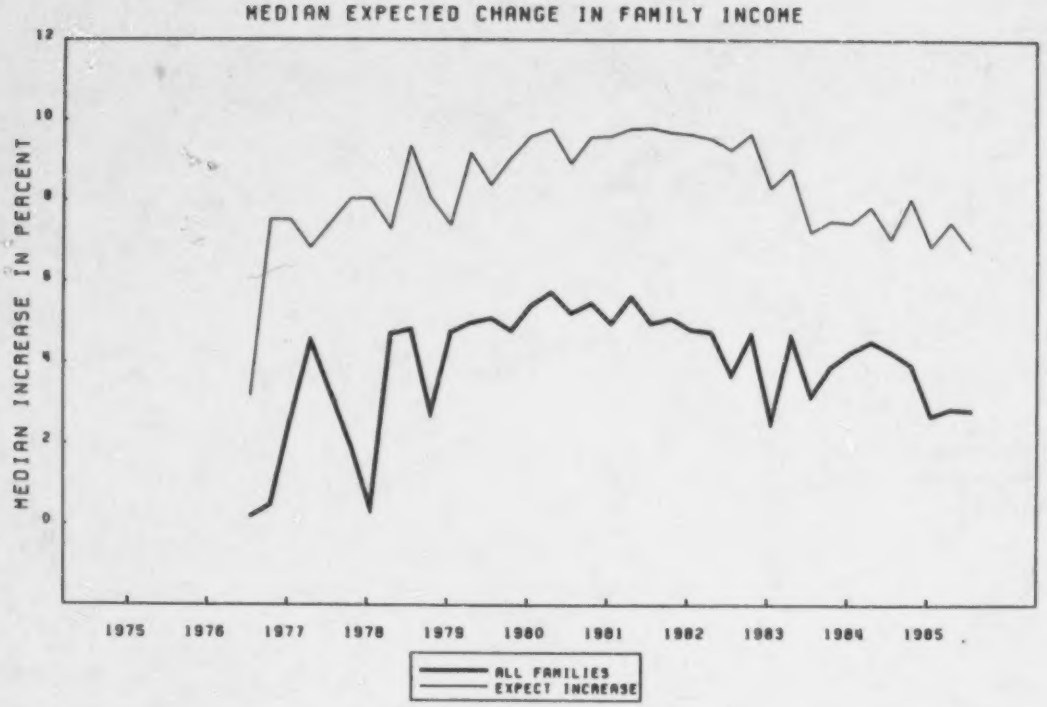


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 8% | 6% | 8% | 9% | 11% | 12% | 14% | 11% | 15% | 12% | 13% | 13% | 13% |
| 5% | 8 | 9 | 9 | 11 | 11 | 10 | 11 | 10 | 11 | 10 | 11 | 10 | 10 |
| 6-9% | 10 | 9 | 9 | 11 | 8 | 9 | 9 | 9 | 10 | 8 | 7 | 6 | 8 |
| 10-24% | 18 | 20 | 15 | 18 | 15 | 16 | 17 | 19 | 17 | 18 | 15 | 16 | 16 |
| 25% or more | 7 | 8 | 7 | 8 | 8 | 7 | 8 | 8 | 7 | 8 | 7 | 8 | 6 |
| DK how much up | 5 | 6 | 5 | 4 | 5 | 6 | 5 | 5 | 4 | 6 | 3 | 4 | 3 |
| EXPECT SAME | 27 | 25 | 28 | 26 | 27 | 25 | 25 | 24 | 23 | 23 | 27 | 28 | 28 |
| EXPECT DOWN | 15 | 15 | 17 | 12 | 13 | 12 | 9 | 12 | 11 | 13 | 16 | 14 | 14 |
| DK,NA | 2 | 2 | 2 | 1 | 2 | 3 | 2 | 2 | 2 | 2 | 1 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| EXPECT INCREASE: | | | | | | | | | | | | | |
| 1-4% | 9% | 7% | 9% | 9% | 11% | 12% | 15% | 13% | 15% | 12% | 14% | 14% | 16% |
| 5% | 9 | 11 | 11 | 13 | 14 | 12 | 14 | 13 | 14 | 13 | 12 | 13 | 12 |
| 6-9% | 13 | 12 | 12 | 14 | 12 | 13 | 12 | 13 | 13 | 11 | 11 | 9 | 11 |
| 10-24% | 24 | 25 | 18 | 23 | 19 | 21 | 23 | 22 | 20 | 23 | 20 | 19 | 19 |
| 25% or more | 6 | 7 | 7 | 5 | 8 | 5 | 8 | 6 | 6 | 7 | 6 | 7 | 5 |
| DK how much up | 3 | 5 | 5 | 3 | 4 | 4 | 4 | 3 | 3 | 5 | 2 | 3 | 3 |
| EXPECT SAME | 20 | 18 | 21 | 20 | 19 | 21 | 16 | 18 | 19 | 15 | 20 | 20 | 18 |
| EXPECT DOWN | 14 | 14 | 16 | 12 | 12 | 11 | 8 | 11 | 9 | 13 | 14 | 14 | 15 |
| DK,NA | 2 | 1 | 1 | 1 | 1 | 1 | * | 1 | 1 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

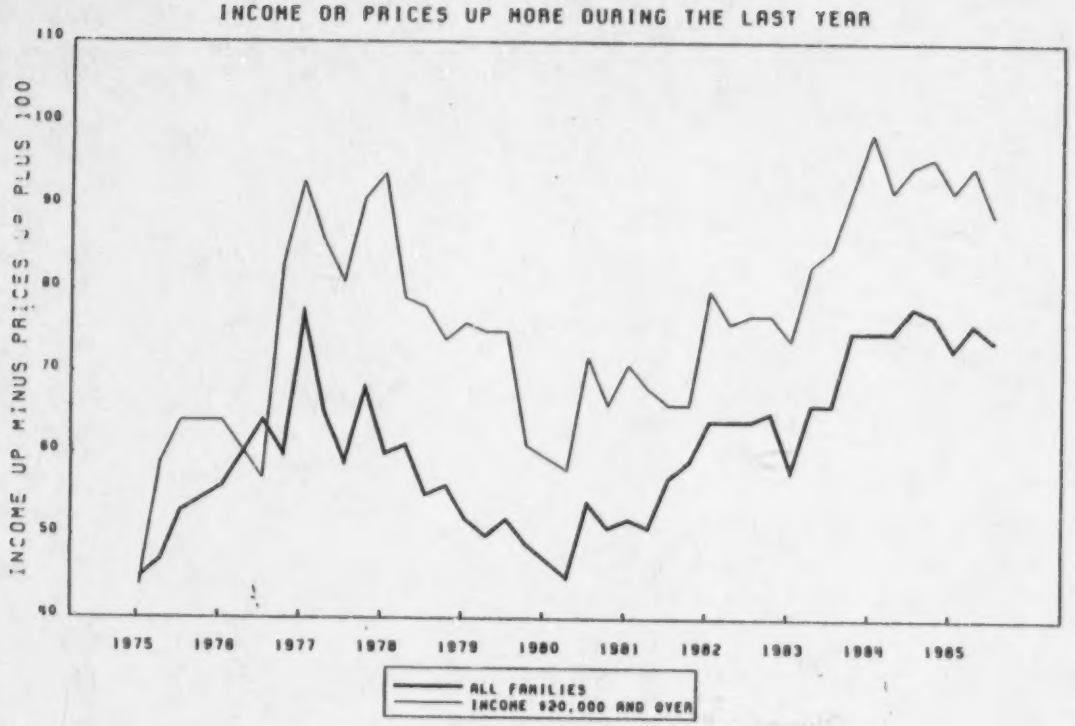


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| INCOME UP MORE | 16% | 16% | 15% | 17% | 17% | 22% | 22% | 20% | 22% | 22% | 18% | 21% | 19% |
| INCOME UP SAME | 30 | 32 | 27 | 31 | 29 | 31 | 30 | 33 | 34 | 32 | 36 | 34 | 34 |
| PRICES UP MORE | 52 | 51 | 56 | 50 | 52 | 46 | 46 | 45 | 43 | 44 | 45 | 44 | 45 |
| DK,NA | 2 | 1 | 2 | 2 | 2 | 1 | 2 | 2 | 1 | 2 | 1 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| INCOME UP MORE | 22% | 21% | 21% | 24% | 26% | 29% | 33% | 27% | 28% | 30% | 27% | 30% | 26% |
| INCOME UP SAME | 32 | 34 | 31 | 35 | 33 | 33 | 32 | 36 | 38 | 35 | 37 | 34 | 35 |
| PRICES UP MORE | 45 | 44 | 47 | 41 | 41 | 37 | 34 | 36 | 33 | 34 | 35 | 35 | 38 |
| DK,NA | 1 | 1 | 1 | * | * | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE NEXT YEAR

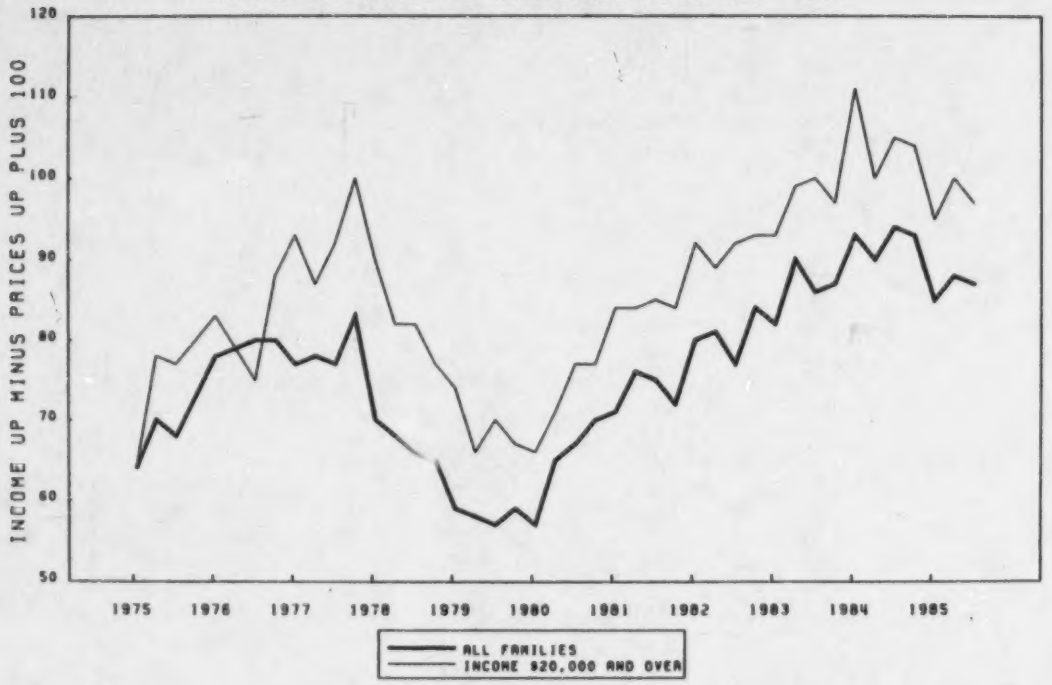


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| INCOME UP MORE | 18% | 19% | 19% | 21% | 20% | 20% | 23% | 22% | 23% | 23% | 19% | 21% | 21% |
| INCOME UP SAME | 39 | 43 | 42 | 45 | 43 | 43 | 45 | 44 | 43 | 44 | 45 | 43 | 43 |
| PRICES UP MORE | 40 | 35 | 36 | 31 | 34 | 34 | 30 | 32 | 30 | 30 | 34 | 33 | 34 |
| DK,NA | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 4 | 3 | 2 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| INCOME UP MORE | 23% | 24% | 24% | 25% | 26% | 25% | 33% | 26% | 29% | 30% | 25% | 28% | 26% |
| INCOME UP SAME | 43 | 43 | 42 | 47 | 46 | 46 | 44 | 46 | 46 | 44 | 45 | 42 | 44 |
| PRICES UP MORE | 32 | 31 | 31 | 26 | 27 | 28 | 22 | 27 | 24 | 26 | 29 | 28 | 30 |
| DK,NA | 2 | 2 | 3 | 2 | 1 | 1 | 1 | 1 | 1 | * | 1 | 2 | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 11 - RECENT CHANGES
TREND IN INCOME AND PRICE COMPARISON

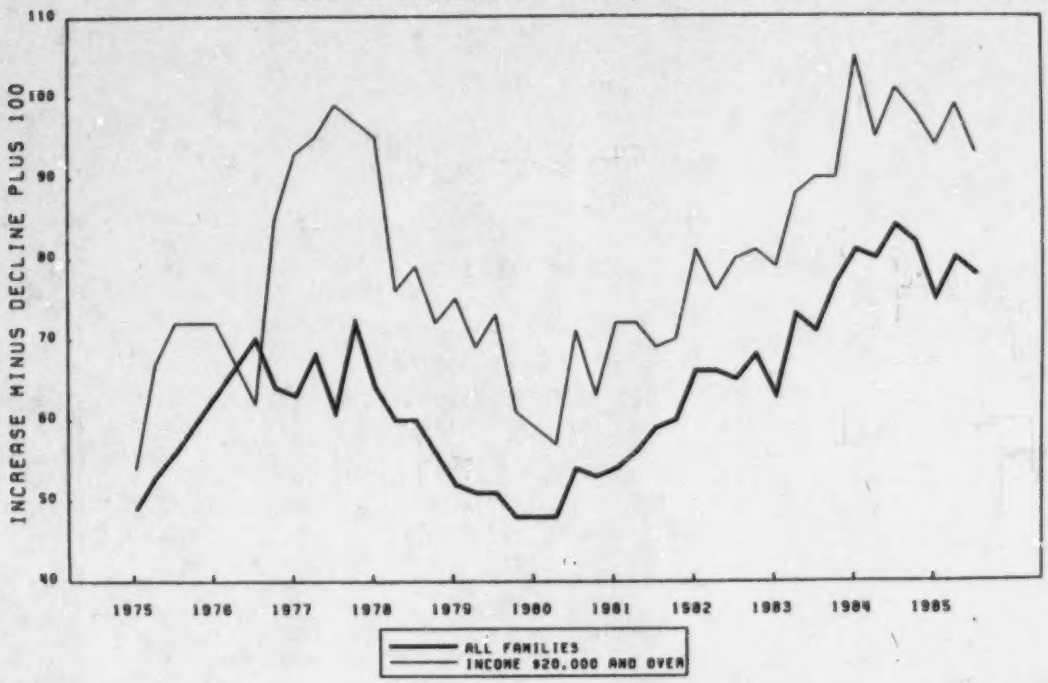


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 8% | 9% | 9% | 10% | 10% | 12% | 13% | 10% | 11% | 12% | 9% | 11% | 10% |
| Intermittent increase (b) | 10 | 11 | 8 | 11 | 12 | 12 | 13 | 15 | 15 | 13 | 14 | 14 | 13 |
| Remain unchanged (c) | 19 | 19 | 17 | 20 | 18 | 19 | 20 | 20 | 21 | 21 | 22 | 21 | 22 |
| Intermittent decline (d) | 22 | 24 | 26 | 23 | 23 | 22 | 21 | 21 | 21 | 21 | 22 | 19 | 20 |
| Continuous decline (e) | 32 | 26 | 28 | 25 | 27 | 25 | 23 | 24 | 22 | 23 | 25 | 25 | 25 |
| Mixed change (f) | 5 | 7 | 8 | 8 | 7 | 7 | 7 | 7 | 6 | 7 | 6 | 7 | 7 |
| DK,NA | 4 | 4 | 4 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 2 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| REAL INCOME PROGRESS: | | | | | | | | | | | | | |
| Continuous increase (a) | 12% | 12% | 13% | 13% | 14% | 16% | 20% | 15% | 16% | 19% | 15% | 16% | 15% |
| Intermittent increase (b) | 13 | 14 | 12 | 14 | 17 | 14 | 17 | 18 | 18 | 15 | 17 | 17 | 17 |
| Remain unchanged (c) | 20 | 20 | 18 | 23 | 21 | 21 | 21 | 21 | 25 | 23 | 24 | 22 | 22 |
| Intermittent decline (d) | 21 | 22 | 23 | 21 | 21 | 23 | 17 | 19 | 18 | 18 | 18 | 15 | 17 |
| Continuous decline (e) | 24 | 22 | 23 | 19 | 19 | 18 | 16 | 18 | 16 | 17 | 20 | 20 | 21 |
| Mixed change (f) | 8 | 8 | 8 | 8 | 7 | 6 | 8 | 8 | 6 | 7 | 5 | 8 | 7 |
| DK,NA | 2 | 2 | 3 | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

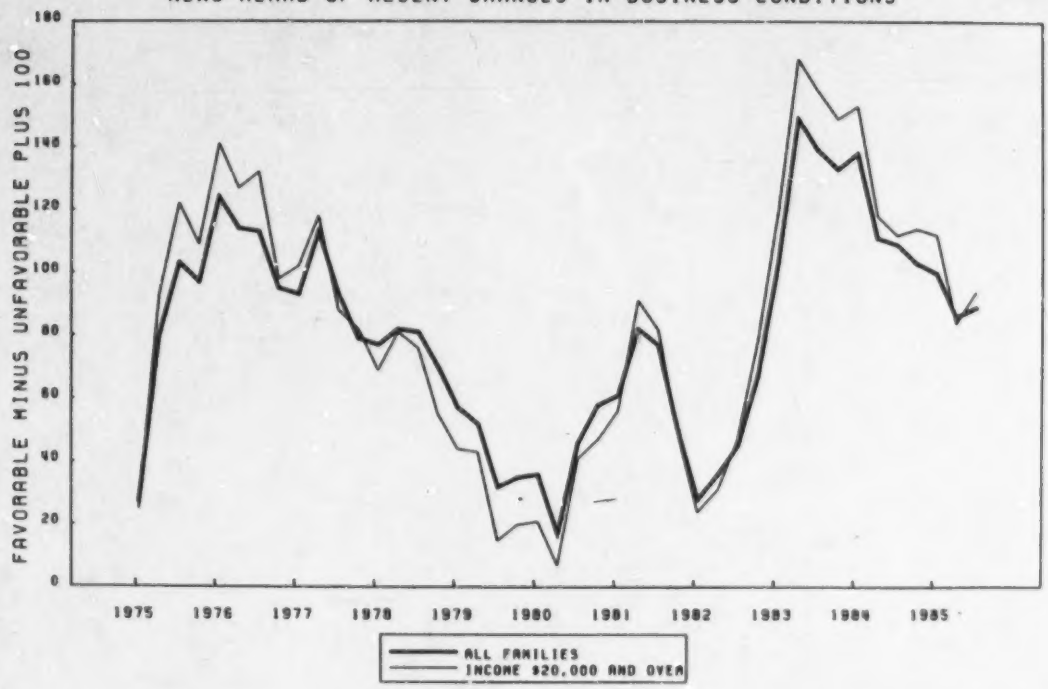



CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

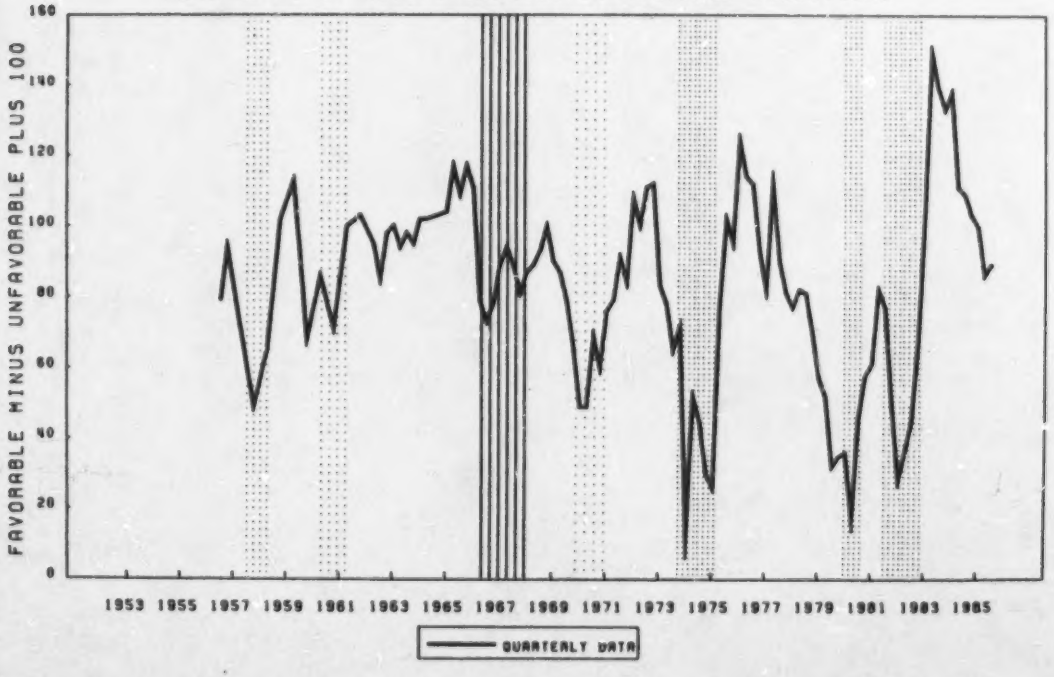


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| FAVORABLE NEWS | 29% | 39% | 58% | 80% | 69% | 62% | 67% | 49% | 48% | 41% | 43% | 32% | 34% |
| UNFAVORABLE NEWS | 85 | 73 | 55 | 31 | 30 | 28 | 30 | 38 | 39 | 38 | 43 | 46 | 45 |
| NO MENTIONS | 28 | 28 | 29 | 30 | 37 | 41 | 38 | 43 | 42 | 46 | 44 | 49 | 47 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| FAVORABLE NEWS | 38% | 49% | 73% | 96% | 86% | 79% | 81% | 57% | 55% | 52% | 55% | 37% | 41% |
| UNFAVORABLE NEWS | 91 | 71 | 54 | 28 | 28 | 30 | 28 | 40 | 43 | 37 | 43 | 53 | 47 |
| NO MENTIONS | 21 | 24 | 23 | 23 | 29 | 31 | 30 | 37 | 36 | 40 | 37 | 42 | 42 |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

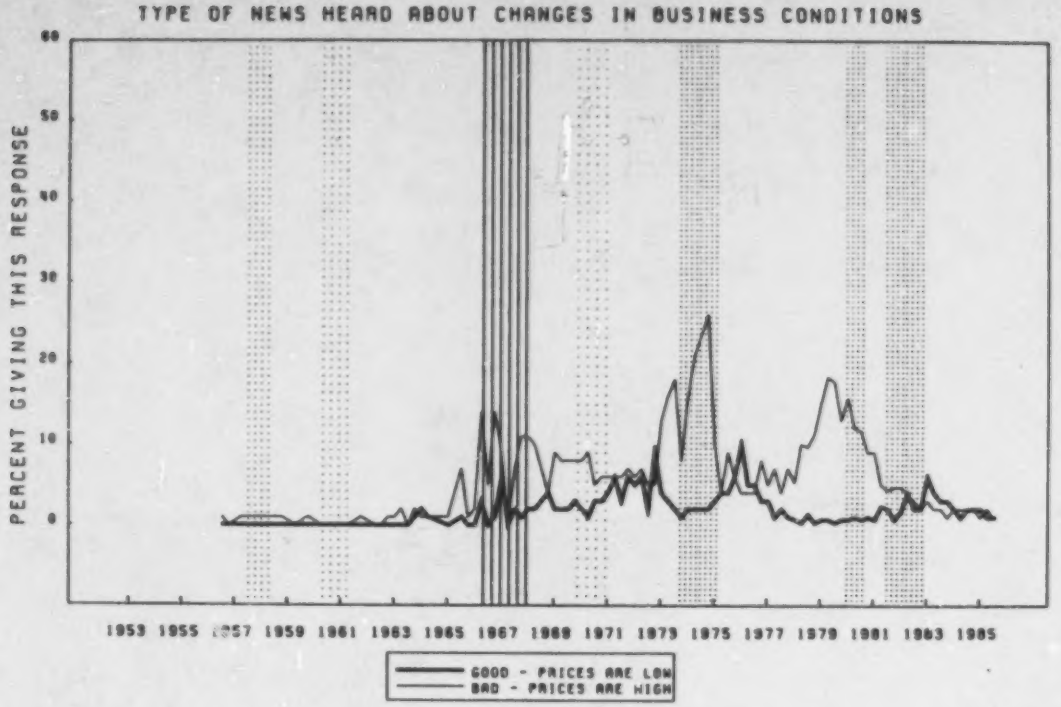



CHART 13B - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

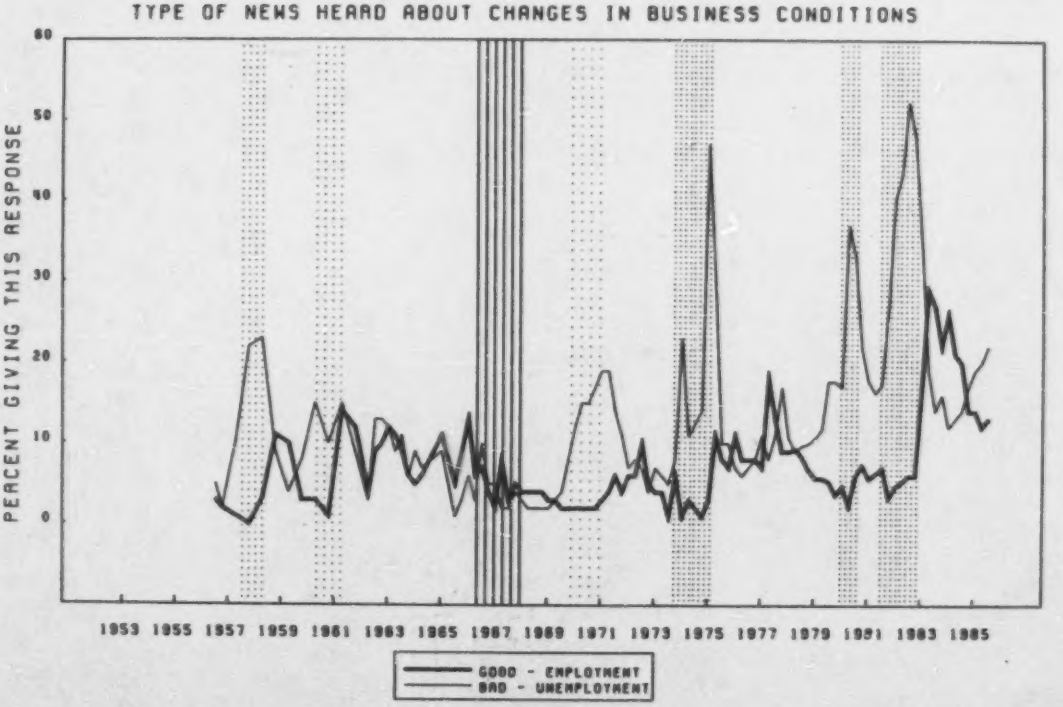


TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 2% | 2% | 2% | 1% | 2% | 2% | 2% | 1% | 2% | 2% | 3% | 3% | 1% |
| Employment | 6 | 6 | 17 | 29 | 27 | 22 | 26 | 21 | 20 | 14 | 14 | 12 | 13 |
| Higher consumer demand | 2 | 2 | 6 | 10 | 12 | 12 | 14 | 9 | 6 | 5 | 5 | 3 | 3 |
| Lower prices | 2 | 2 | 6 | 4 | 3 | 3 | 2 | 1 | 2 | 2 | 2 | 1 | 1 |
| Easier credit | 10 | 17 | 14 | 16 | 9 | 5 | 5 | 3 | 3 | 7 | 8 | 5 | 8 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 4 | 3 | 3 | 3 | 2 | 2 | 4 | 2 | 4 | 4 | 5 | 5 | 4 |
| Unemployment | 52 | 48 | 35 | 19 | 14 | 16 | 12 | 13 | 14 | 17 | 19 | 20 | 22 |
| Lower consumer demand | 6 | 7 | 4 | 2 | 2 | 1 | 1 | 1 | 2 | 2 | 3 | 3 | 2 |
| Higher prices | 3 | 2 | 3 | 2 | 2 | 1 | 2 | 2 | 2 | 2 | 1 | 2 | 1 |
| Tighter credit | 6 | 2 | 1 | 1 | 4 | 2 | 2 | 10 | 9 | 3 | 2 | 2 | 1 |
| Energy crisis | * | * | * | * | * | * | * | * | * | * | * | * | * |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| FAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 2% | 2% | 3% | 1% | 2% | 1% | 3% | 1% | 2% | 3% | 3% | 3% | 2% |
| Employment | 7 | 7 | 19 | 32 | 31 | 27 | 32 | 22 | 21 | 18 | 17 | 12 | 14 |
| Higher consumer demand | 3 | 3 | 7 | 14 | 15 | 15 | 18 | 11 | 8 | 6 | 6 | 4 | 4 |
| Lower prices | 3 | 3 | 8 | 6 | 4 | 3 | 3 | 1 | 3 | 2 | 3 | 1 | 2 |
| Easier credit | 14 | 21 | 19 | 19 | 12 | 8 | 6 | 4 | 4 | 10 | 11 | 7 | 11 |
| UNFAVORABLE NEWS: | | | | | | | | | | | | | |
| Government; elections | 3 | 3 | 3 | 2 | 3 | 2 | 5 | 3 | 4 | 5 | 7 | 6 | 4 |
| Unemployment | 57 | 47 | 36 | 19 | 13 | 16 | 11 | 11 | 15 | 14 | 16 | 23 | 21 |
| Lower consumer demand | 7 | 7 | 3 | 1 | 1 | 2 | 1 | 1 | 2 | 2 | 2 | 3 | 2 |
| Higher prices | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Tighter credit | 8 | 1 | 1 | * | 5 | 2 | 3 | 15 | 13 | 4 | 3 | 2 | 1 |
| Energy crisis | * | * | * | * | * | * | * | * | * | * | * | * | * |

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

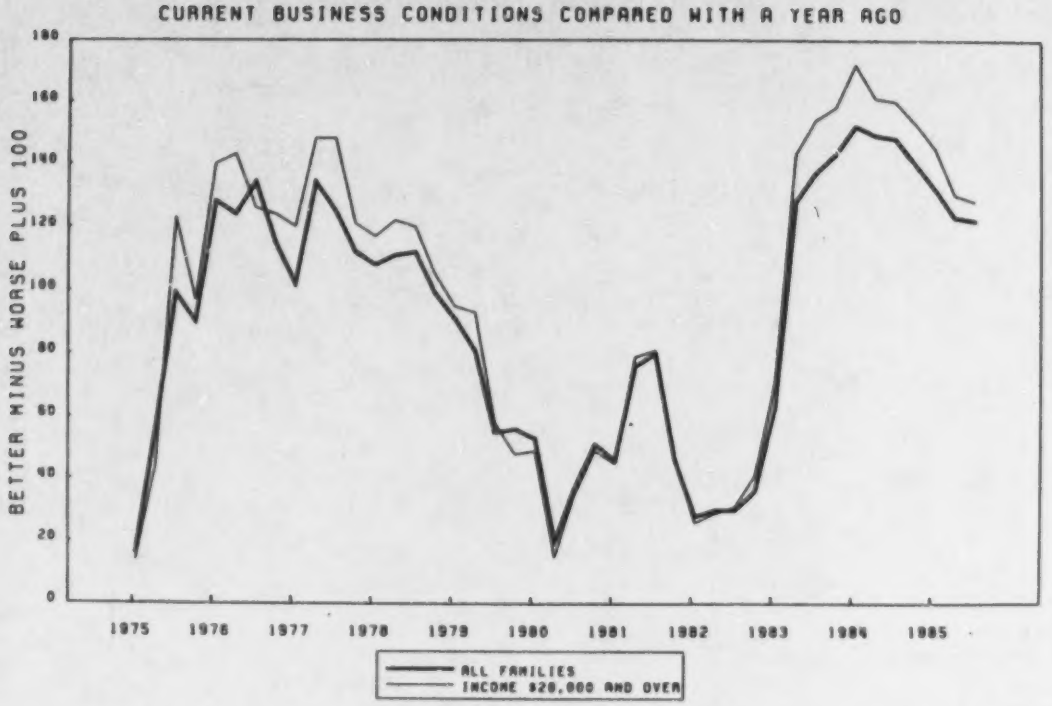



CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

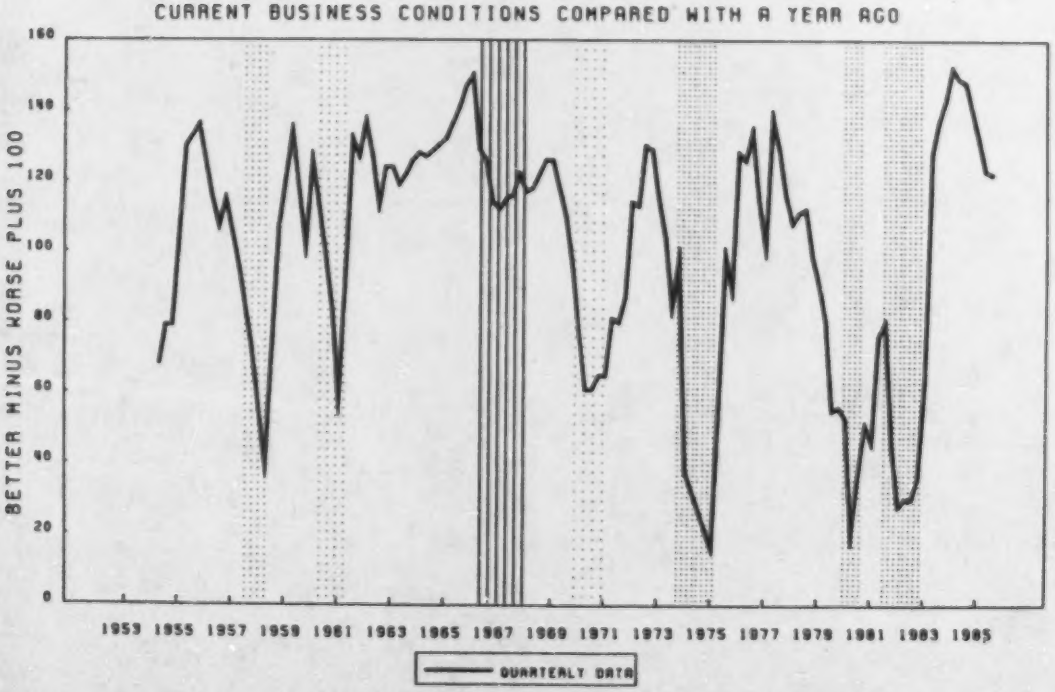


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| BETTER NOW | 11% | 14% | 27% | 59% | 63% | 67% | 71% | 68% | 67% | 64% | 58% | 53% | 53% |
| SAME | 7 | 8 | 9 | 10 | 9 | 8 | 8 | 11 | 11 | 12 | 14 | 15 | 14 |
| WORSE NOW | 81 | 77 | 64 | 30 | 27 | 23 | 20 | 19 | 20 | 23 | 26 | 30 | 31 |
| DK,NA | 1 | 1 | * | 1 | 1 | 2 | 1 | 2 | 2 | 1 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| BETTER NOW | 12% | 16% | 31% | 67% | 73% | 76% | 84% | 76% | 75% | 71% | 66% | 57% | 56% |
| SAME | 6 | 8 | 8 | 8 | 6 | 5 | 5 | 8 | 8 | 10 | 13 | 14 | 14 |
| WORSE NOW | 81 | 75 | 60 | 24 | 20 | 18 | 11 | 15 | 16 | 18 | 20 | 27 | 28 |
| DK,NA | 1 | 1 | 1 | 1 | 1 | 1 | * | 1 | 1 | 1 | 1 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

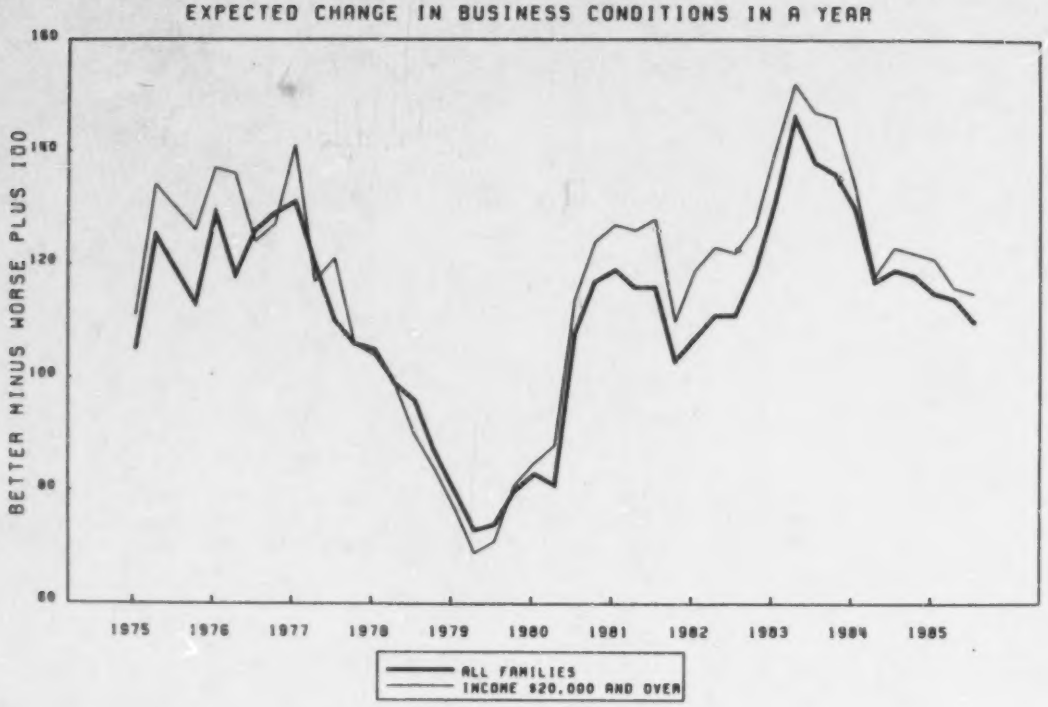



CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

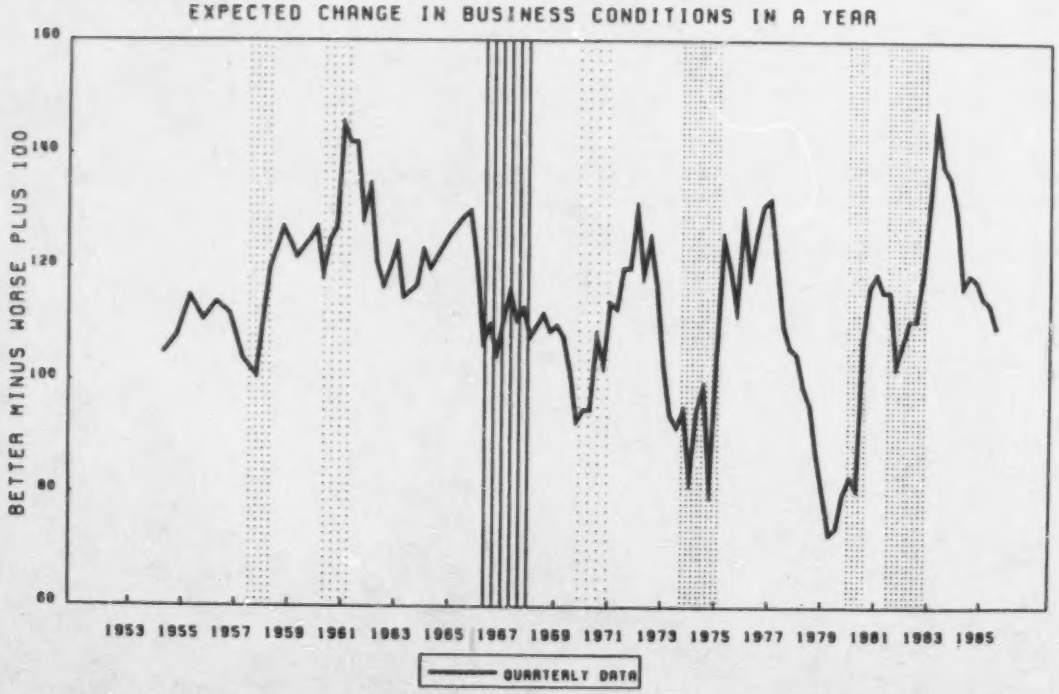


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| BETTER | 34% | 39% | 45% | 52% | 47% | 45% | 41% | 31% | 33% | 33% | 30% | 28% | 25% |
| SAME | 42 | 39 | 41 | 39 | 42 | 43 | 47 | 53 | 49 | 48 | 53 | 55 | 57 |
| WORSE | 22 | 20 | 13 | 7 | 9 | 10 | 10 | 14 | 14 | 16 | 15 | 15 | 15 |
| DK,NA | 2 | 2 | 1 | 2 | 2 | 2 | 2 | 2 | 4 | 3 | 2 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| BETTER | 40% | 44% | 49% | 57% | 54% | 52% | 43% | 32% | 36% | 36% | 32% | 31% | 27% |
| SAME | 41 | 37 | 41 | 36 | 38 | 42 | 46 | 53 | 48 | 49 | 56 | 52 | 59 |
| WORSE | 18 | 18 | 9 | 6 | 7 | 5 | 9 | 14 | 13 | 14 | 12 | 15 | 12 |
| DK,NA | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 3 | 1 | * | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

* : Less than half of one percent.

CHART 16A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

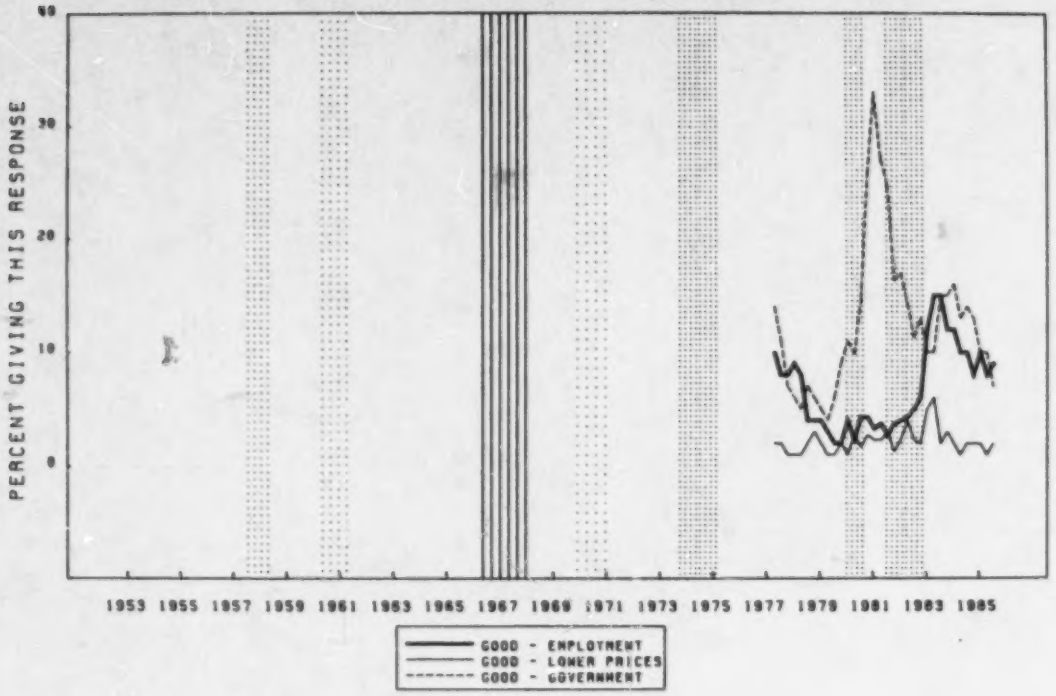



CHART 16B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

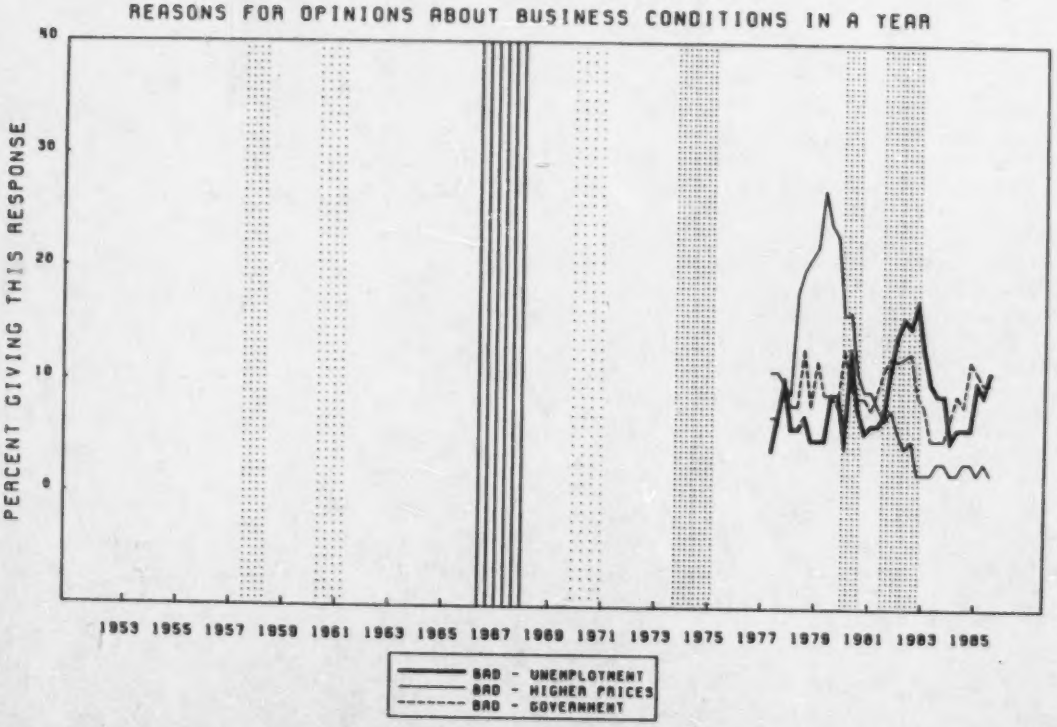


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 12% | 13% | 10% | 10% | 15% | 15% | 16% | 13% | 14% | 13% | 10% | 10% | 7% |
| Employment | 5 | 6 | 12 | 15 | 15 | 12 | 12 | 10 | 10 | 8 | 10 | 8 | 9 |
| Higher consumer demand | 3 | 5 | 6 | 9 | 7 | 8 | 6 | 4 | 4 | 4 | 4 | 5 | 3 |
| Lower prices | 2 | 2 | 5 | 6 | 2 | 3 | 2 | 1 | 2 | 2 | 2 | 1 | 2 |
| Easier credit | 9 | 13 | 12 | 13 | 6 | 5 | 3 | 2 | 4 | 5 | 4 | 4 | 5 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 13 | 9 | 8 | 5 | 5 | 5 | 7 | 9 | 8 | 12 | 11 | 10 | 10 |
| Unemployment | 15 | 17 | 13 | 10 | 9 | 9 | 5 | 6 | 6 | 6 | 10 | 9 | 11 |
| Lower consumer demand | 4 | 4 | 3 | 3 | 3 | 2 | 1 | 2 | 2 | 3 | 3 | 3 | 2 |
| Higher prices | 5 | 2 | 2 | 2 | 3 | 3 | 2 | 2 | 3 | 3 | 2 | 3 | 2 |
| Tighter credit | 7 | 3 | 2 | 2 | 3 | 2 | 3 | 7 | 5 | 3 | 3 | 1 | 1 |
| Energy crisis | * | * | * | * | * | * | * | * | * | * | * | * | * |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| FAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 15% | 15% | 9% | 12% | 18% | 17% | 19% | 14% | 18% | 14% | 11% | 12% | 7% |
| Employment | 6 | 8 | 13 | 15 | 16 | 14 | 10 | 11 | 9 | 9 | 11 | 8 | 9 |
| Higher consumer demand | 4 | 6 | 8 | 11 | 9 | 9 | 6 | 5 | 4 | 5 | 4 | 5 | 4 |
| Lower prices | 3 | 3 | 6 | 6 | 3 | 3 | 3 | 2 | 2 | 2 | 4 | 1 | 3 |
| Easier credit | 12 | 17 | 16 | 16 | 9 | 6 | 5 | 3 | 5 | 6 | 6 | 5 | 7 |
| UNFAVORABLE REASONS: | | | | | | | | | | | | | |
| Government; elections | 11 | 9 | 7 | 4 | 5 | 4 | 8 | 10 | 10 | 12 | 11 | 12 | 9 |
| Unemployment | 13 | 15 | 10 | 9 | 6 | 7 | 3 | 5 | 4 | 5 | 8 | 7 | 9 |
| Higher consumer demand | 5 | 5 | 4 | 2 | 3 | 2 | 1 | 2 | 2 | 3 | 2 | 3 | 2 |
| Higher prices | 3 | 2 | 1 | 2 | 2 | 2 | 3 | 2 | 2 | 2 | 3 | 2 | 2 |
| Tighter credit | 8 | 4 | 2 | 3 | 4 | 2 | 3 | 9 | 7 | 4 | 3 | 2 | 1 |
| Energy crisis | * | * | * | * | * | * | * | * | * | * | * | * | * |

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

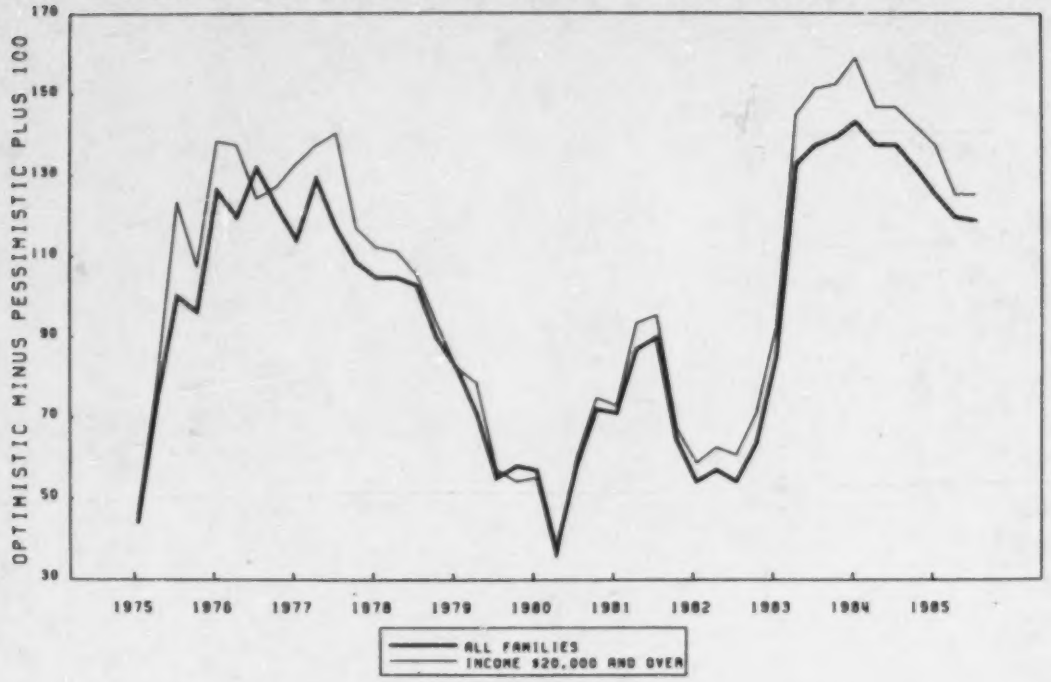



CHART 17 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

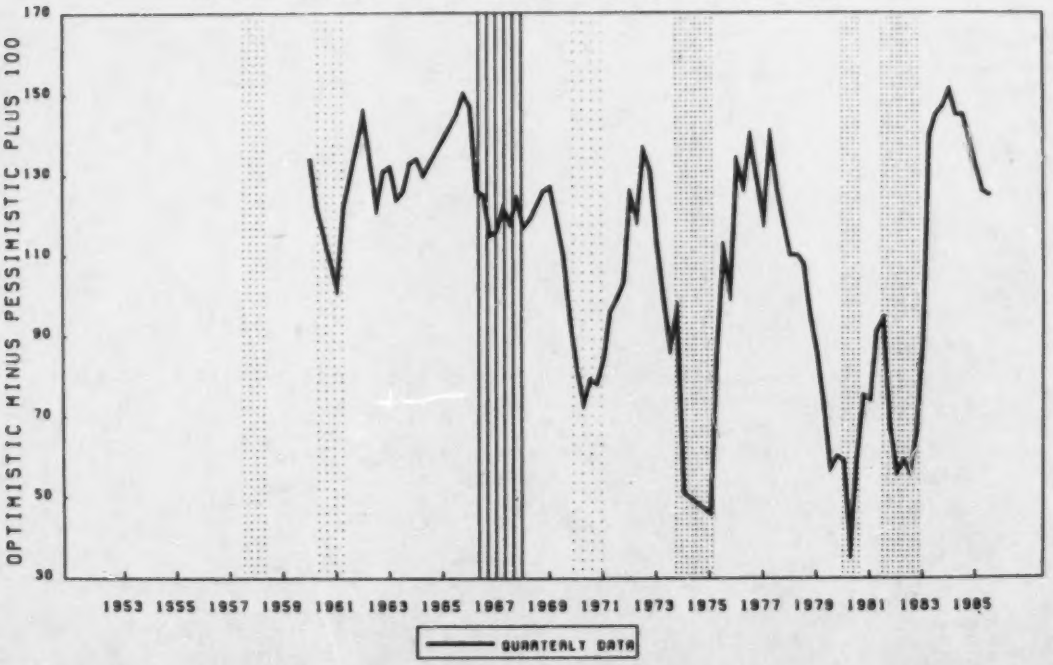


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 7% | 9% | 19% | 39% | 37% | 37% | 35% | 26% | 26% | 26% | 23% | 20% | 18% |
| Intermittent increase (b) | 6 | 8 | 12 | 22 | 26 | 28 | 32 | 37 | 36 | 33 | 33 | 32 | 34 |
| Remain unchanged (c) | 3 | 3 | 4 | 5 | 6 | 5 | 5 | 7 | 5 | 6 | 8 | 10 | 9 |
| Intermittent decline (d) | 35 | 33 | 29 | 16 | 13 | 14 | 12 | 12 | 11 | 13 | 16 | 18 | 18 |
| Continuous decline (e) | 21 | 18 | 12 | 6 | 6 | 5 | 4 | 6 | 6 | 8 | 9 | 9 | 10 |
| Mixed change (f) | 25 | 27 | 22 | 10 | 9 | 8 | 9 | 9 | 10 | 10 | 8 | 7 | 7 |
| DK,NA | 3 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 6 | 4 | 3 | 4 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| TREND: | | | | | | | | | | | | | |
| Continuous increase (a) | 7% | 11% | 22% | 45% | 45% | 46% | 40% | 28% | 30% | 29% | 26% | 23% | 20% |
| Intermittent increase (b) | 7 | 10 | 14 | 24 | 28 | 29 | 38 | 40 | 38 | 36 | 38 | 34 | 37 |
| Remain unchanged (c) | 3 | 2 | 2 | 4 | 3 | 4 | 4 | 6 | 4 | 6 | 8 | 8 | 9 |
| Intermittent decline (d) | 35 | 30 | 30 | 12 | 9 | 11 | 7 | 10 | 9 | 11 | 14 | 15 | 16 |
| Continuous decline (e) | 17 | 16 | 9 | 4 | 4 | 3 | 2 | 4 | 4 | 5 | 5 | 9 | 9 |
| Mixed change (f) | 29 | 30 | 22 | 10 | 10 | 5 | 8 | 11 | 11 | 10 | 8 | 8 | 7 |
| DK,NA | 2 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 4 | 3 | 1 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

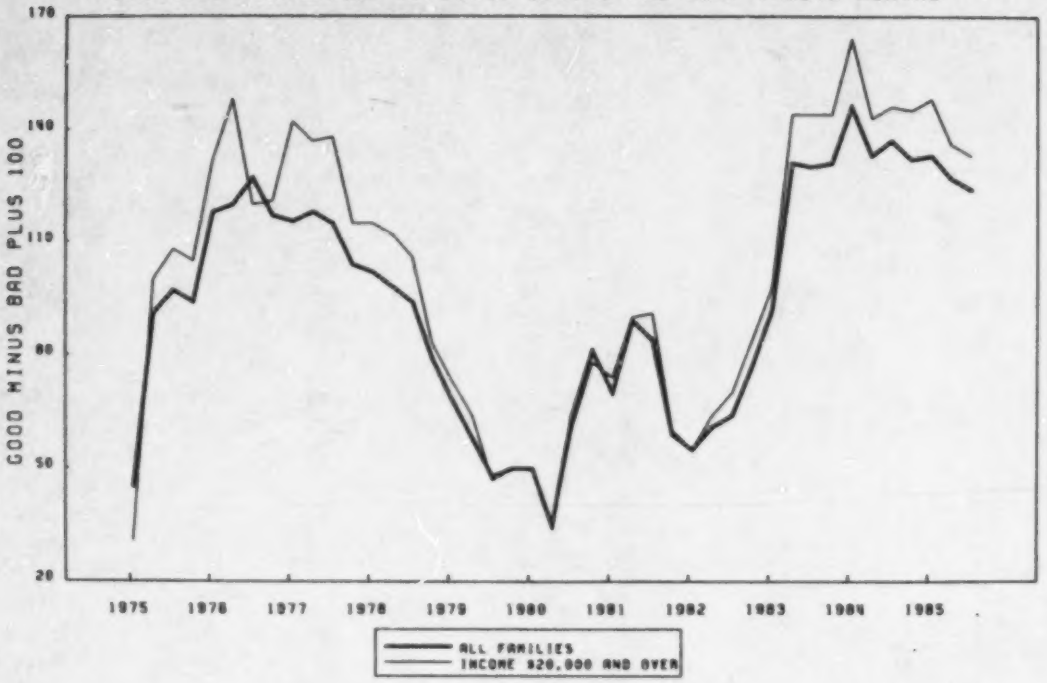



CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

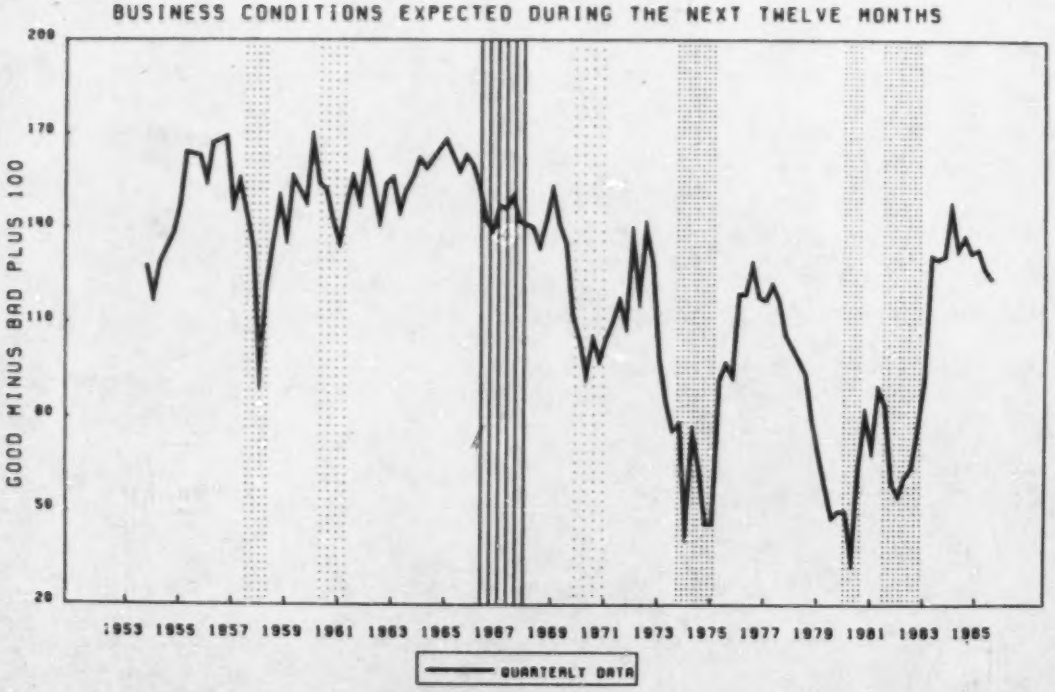


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIMES | 27% | 33% | 42% | 61% | 60% | 61% | 69% | 61% | 63% | 59% | 62% | 57% | 55% |
| UNCERTAIN; GOOD & BAD | 4 | 3 | 1 | 2 | 3 | 3 | 2 | 3 | 3 | 3 | 3 | 2 | 4 |
| BAD TIMES | 63 | 57 | 50 | 30 | 30 | 30 | 22 | 28 | 26 | 27 | 29 | 30 | 32 |
| DON'T KNOW | 3 | 4 | 3 | 4 | 5 | 5 | 5 | 5 | 6 | 7 | 4 | 6 | 6 |
| NOT ASCERTAINED | 3 | 3 | 4 | 3 | 2 | 1 | 2 | 3 | 2 | 4 | 2 | 5 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIMES | 30% | 37% | 45% | 68% | 68% | 69% | 80% | 68% | 68% | 67% | 70% | 63% | 62% |
| UNCERTAIN; GOOD & BAD | 4 | 4 | 1 | 2 | 3 | 2 | 1 | 3 | 4 | 3 | 3 | 2 | 3 |
| BAD TIMES | 61 | 54 | 48 | 24 | 24 | 25 | 16 | 24 | 22 | 22 | 22 | 27 | 29 |
| DON'T KNOW | 2 | 2 | 1 | 3 | 3 | 2 | 2 | 4 | 4 | 5 | 3 | 3 | 4 |
| NOT ASCERTAINED | 3 | 3 | 5 | 3 | 2 | 2 | 1 | 1 | 2 | 3 | 2 | 5 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

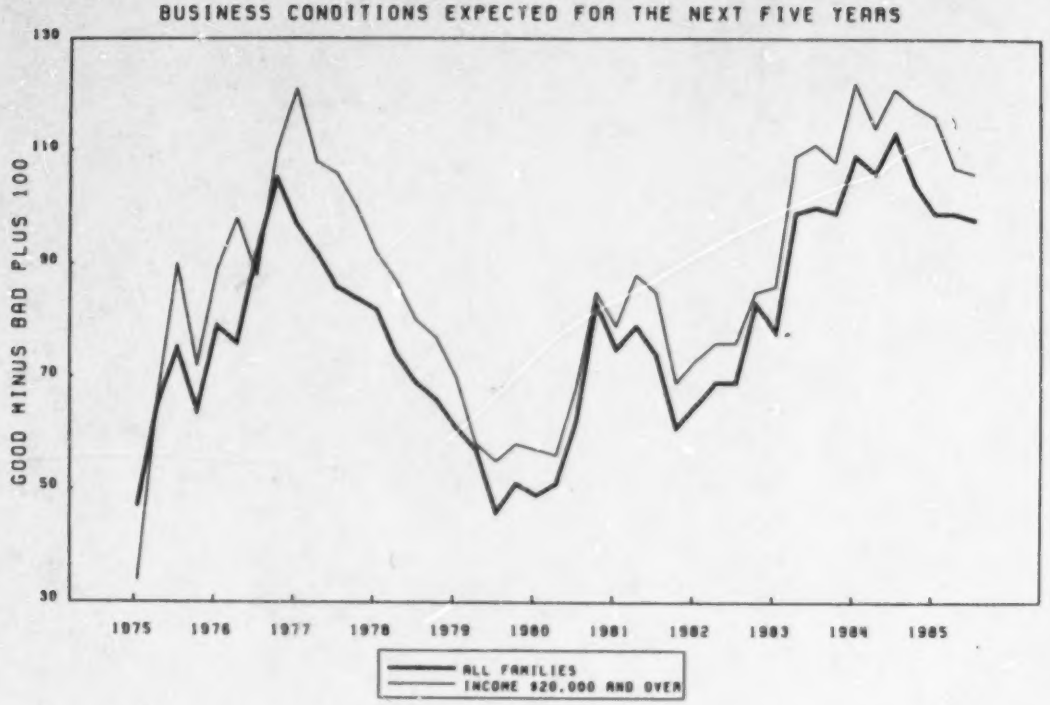



CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

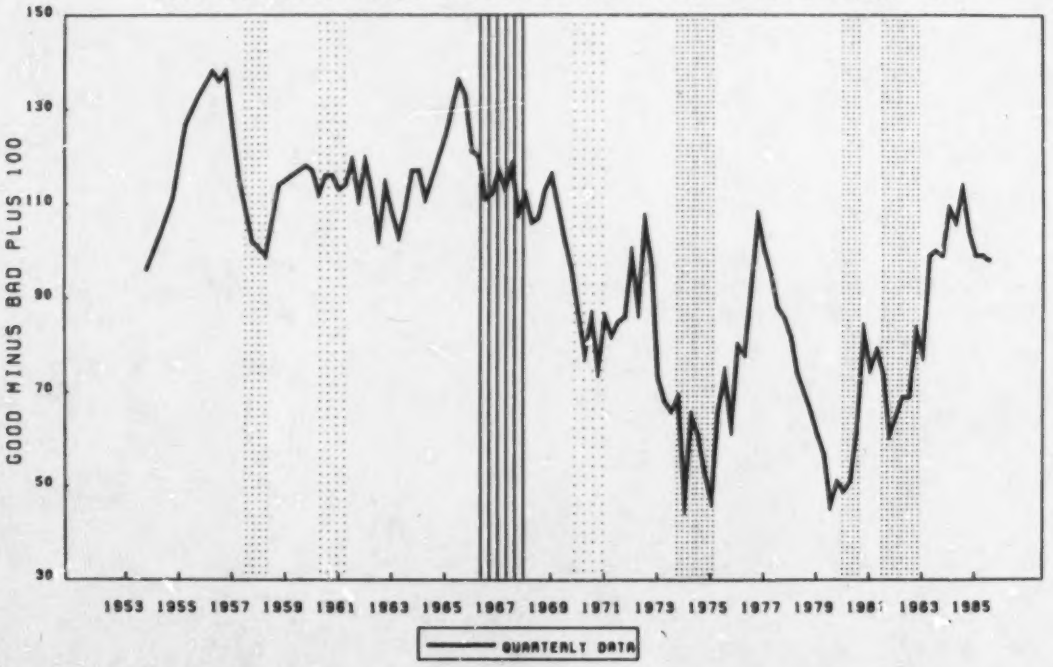


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIMES | 24% | 31% | 30% | 39% | 38% | 39% | 44% | 42% | 46% | 42% | 41% | 41% | 40% |
| UNCERTAIN; GOOD & BAD | 15 | 14 | 13 | 17 | 20 | 17 | 16 | 17 | 16 | 16 | 13 | 15 | 15 |
| BAD TIMES | 56 | 48 | 52 | 40 | 38 | 40 | 35 | 36 | 33 | 37 | 43 | 41 | 42 |
| NOT ASCERTAINED | 5 | 7 | 5 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 3 | 3 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIMES | 28% | 33% | 34% | 44% | 44% | 44% | 52% | 45% | 49% | 49% | 50% | 44% | 44% |
| UNCERTAIN; GOOD & BAD | 16 | 14 | 13 | 17 | 19 | 17 | 15 | 19 | 18 | 16 | 13 | 15 | 15 |
| BAD TIMES | 51 | 47 | 48 | 36 | 33 | 36 | 29 | 32 | 28 | 31 | 34 | 37 | 38 |
| NOT ASCERTAINED | 5 | 6 | 5 | 3 | 4 | 3 | 4 | 4 | 5 | 4 | 3 | 4 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

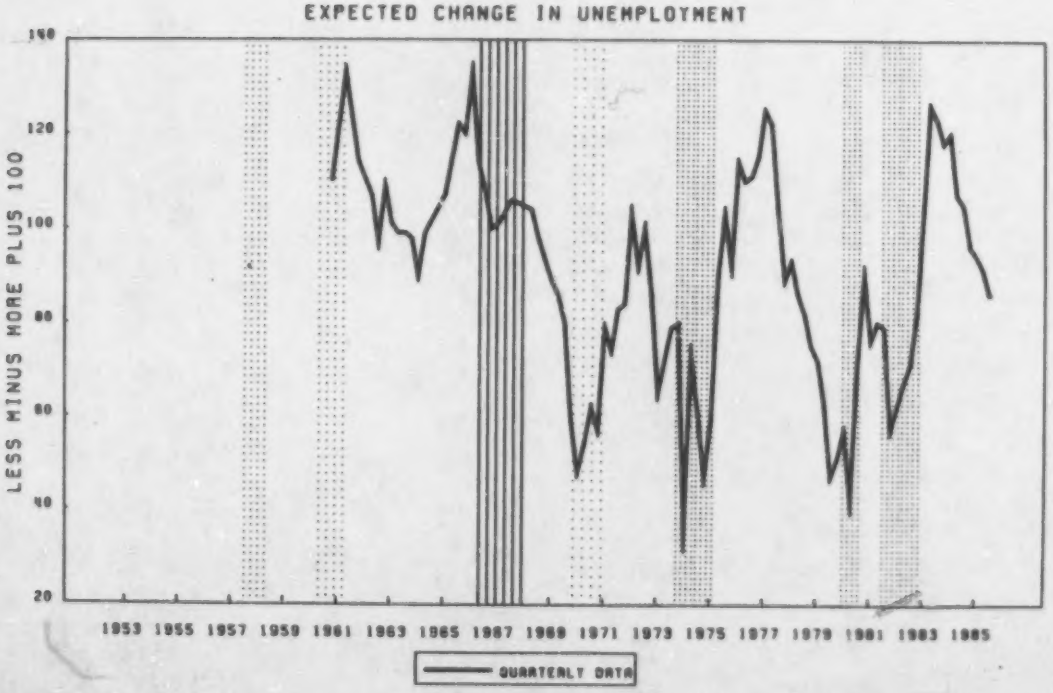


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| LESS | 17% | 21% | 29% | 40% | 39% | 35% | 35% | 27% | 25% | 21% | 21% | 18% | 15% |
| SAME | 36 | 39 | 43 | 44 | 43 | 45 | 48 | 52 | 52 | 52 | 50 | 53 | 54 |
| MORE | 46 | 38 | 27 | 15 | 16 | 18 | 15 | 20 | 21 | 25 | 27 | 27 | 29 |
| DK,NA | 1 | 2 | 1 | 1 | 2 | 2 | 2 | 1 | 2 | 2 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| LESS | 19% | 24% | 34% | 45% | 44% | 41% | 41% | 31% | 28% | 23% | 24% | 19% | 14% |
| SAME | 38 | 41 | 44 | 43 | 43 | 45 | 47 | 53 | 54 | 55 | 52 | 56 | 58 |
| MORE | 42 | 35 | 22 | 11 | 12 | 14 | 11 | 16 | 17 | 21 | 24 | 25 | 27 |
| DK,NA | 1 | * | * | 1 | 1 | * | 1 | * | 1 | 1 | * | * | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

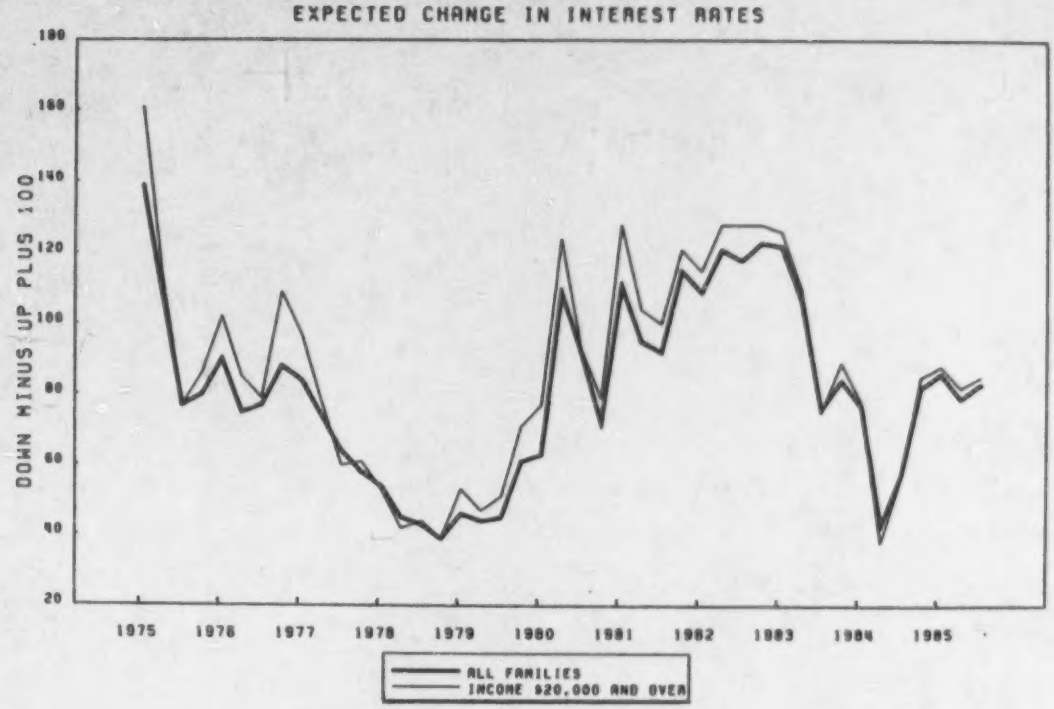



CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

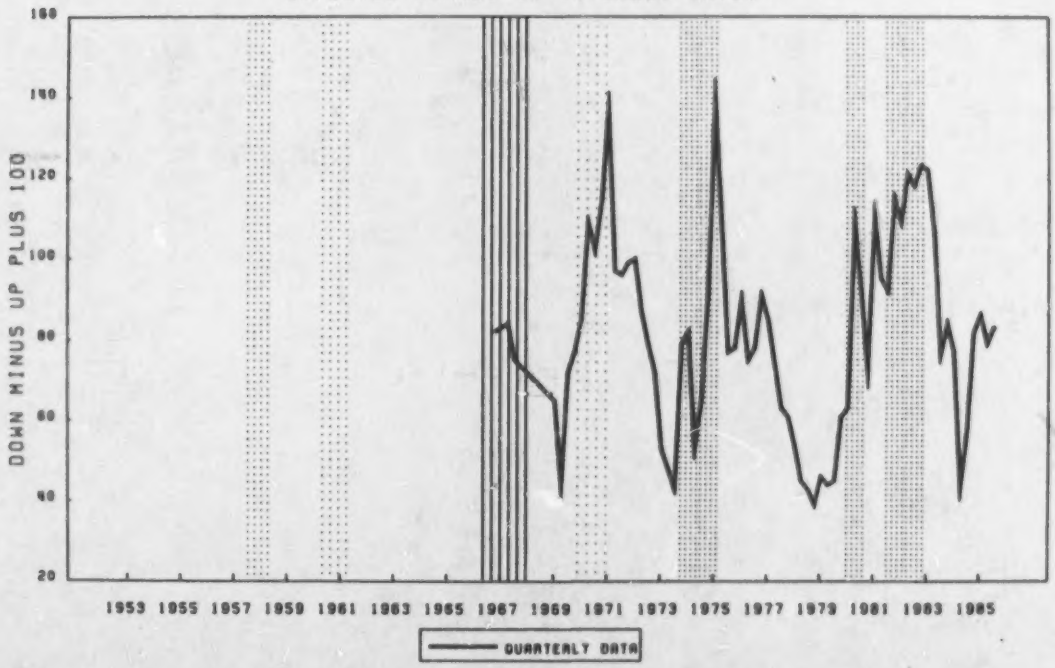


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GO UP | 22% | 22% | 20% | 23% | 44% | 37% | 40% | 66% | 55% | 42% | 39% | 42% | 40% |
| STAY THE SAME | 34 | 28 | 35 | 44 | 34 | 37 | 39 | 23 | 29 | 31 | 34 | 34 | 36 |
| GO DOWN | 40 | 46 | 42 | 31 | 19 | 22 | 17 | 9 | 13 | 24 | 24 | 21 | 22 |
| DK,NA | 4 | 4 | 3 | 2 | 3 | 4 | 4 | 2 | 3 | 3 | 3 | 3 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GO UP | 18% | 20% | 18% | 21% | 44% | 34% | 39% | 70% | 56% | 40% | 38% | 41% | 37% |
| STAY THE SAME | 34 | 30 | 36 | 47 | 36 | 41 | 42 | 22 | 30 | 34 | 36 | 34 | 39 |
| GO DOWN | 46 | 49 | 44 | 31 | 19 | 23 | 17 | 8 | 12 | 25 | 25 | 24 | 23 |
| DK,NA | 2 | 1 | 2 | 1 | 1 | 2 | 2 | * | 2 | 1 | 1 | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

* : Less than half of one percent.

CHART 22 - RECENT CHANGES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

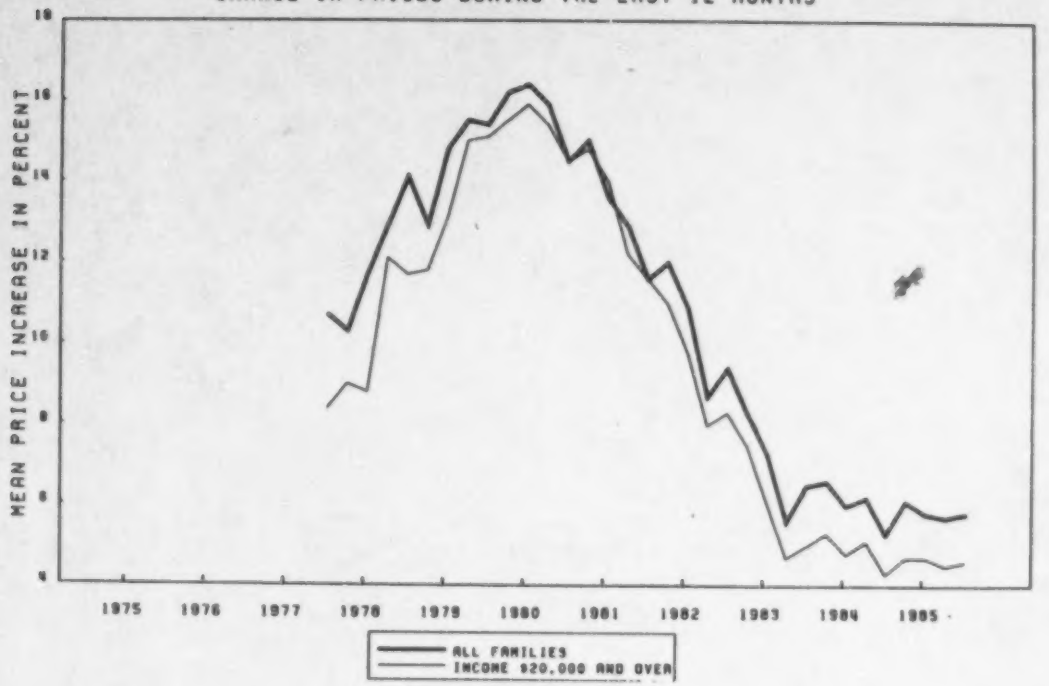



CHART 22 - HISTORICAL SERIES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

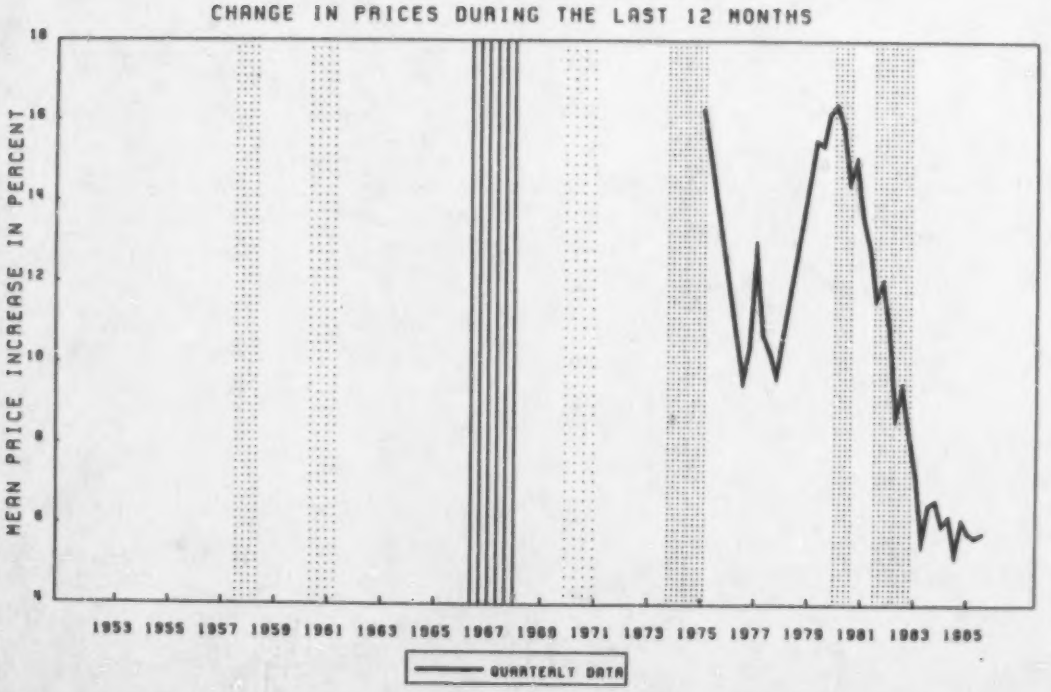


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| SAME OR DOWN | 13% | 20% | 26% | 30% | 24% | 23% | 23% | 22% | 28% | 26% | 26% | 23% | 24% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 6 | 5 | 6 | 8 | 9 | 9 | 10 | 11 | 9 | 10 | 11 | 12 | 12 |
| 3-4% | 9 | 8 | 10 | 12 | 13 | 14 | 15 | 15 | 15 | 15 | 17 | 17 | 18 |
| 5% | 12 | 15 | 15 | 15 | 15 | 15 | 16 | 17 | 17 | 15 | 15 | 15 | 16 |
| 6-9% | 14 | 12 | 9 | 9 | 9 | 9 | 9 | 9 | 8 | 6 | 7 | 8 | 5 |
| 10-14% | 22 | 18 | 15 | 12 | 13 | 13 | 12 | 11 | 10 | 11 | 10 | 11 | 11 |
| 15% or more | 17 | 15 | 13 | 9 | 10 | 10 | 8 | 10 | 8 | 10 | 9 | 9 | 8 |
| DK how much up | 6 | 6 | 5 | 4 | 6 | 6 | 6 | 5 | 5 | 6 | 5 | 4 | 5 |
| DK,NA | 1 | 1 | 1 | 1 | 1 | 1 | 1 | * | * | 1 | * | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 9.4 | 8.3 | 7.3 | 5.6 | 6.5 | 6.6 | 6.0 | 6.2 | 5.3 | 6.1 | 5.8 | 5.7 | 5.8 |
| VARIANCE | 99 | 97 | 97 | 63 | 84 | 82 | 70 | 69 | 62 | 82 | 77 | 66 | 77 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| SAME OR DOWN | 16% | 23% | 29% | 33% | 27% | 26% | 29% | 25% | 33% | 30% | 32% | 27% | 28% |
| GONE UP BY: | | | | | | | | | | | | | |
| 1-2% | 6 | 6 | 6 | 9 | 10 | 8 | 11 | 13 | 10 | 11 | 12 | 11 | 13 |
| 3-4% | 9 | 9 | 11 | 13 | 14 | 15 | 15 | 16 | 15 | 16 | 17 | 19 | 18 |
| 5% | 13 | 15 | 16 | 15 | 17 | 16 | 17 | 17 | 19 | 16 | 15 | 18 | 16 |
| 6-9% | 17 | 13 | 11 | 10 | 10 | 11 | 9 | 11 | 7 | 8 | 7 | 7 | 6 |
| 10-14% | 22 | 17 | 12 | 11 | 11 | 12 | 10 | 9 | 7 | 8 | 8 | 10 | 11 |
| 15% or more | 14 | 13 | 11 | 7 | 7 | 7 | 6 | 7 | 6 | 7 | 7 | 5 | 6 |
| DK how much up | 3 | 4 | 3 | 2 | 3 | 4 | 3 | 2 | 3 | 3 | 2 | 2 | 2 |
| DK,NA | * | * | 1 | * | 1 | 1 | * | * | * | 1 | * | 1 | * |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 8.3 | 7.5 | 6.1 | 4.7 | 5.0 | 5.3 | 4.8 | 5.1 | 4.3 | 4.7 | 4.7 | 4.5 | 4.6 |
| VARIANCE | 80 | 82 | 76 | 41 | 46 | 51 | 50 | 55 | 47 | 48 | 60 | 38 | 49 |

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASES DURING NEXT 12 MONTHS

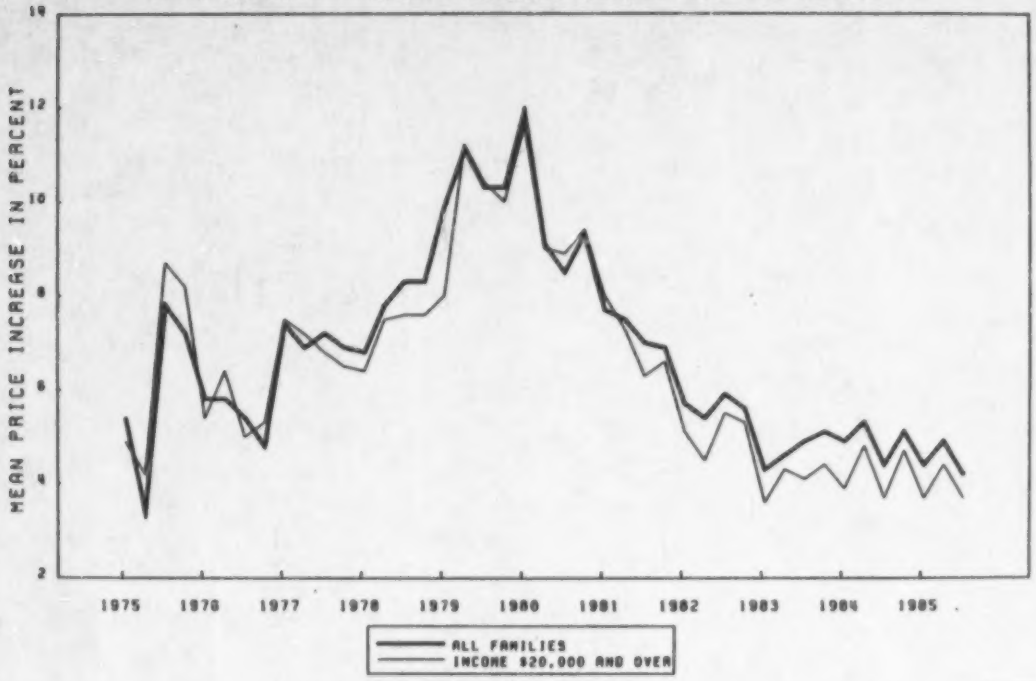



CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

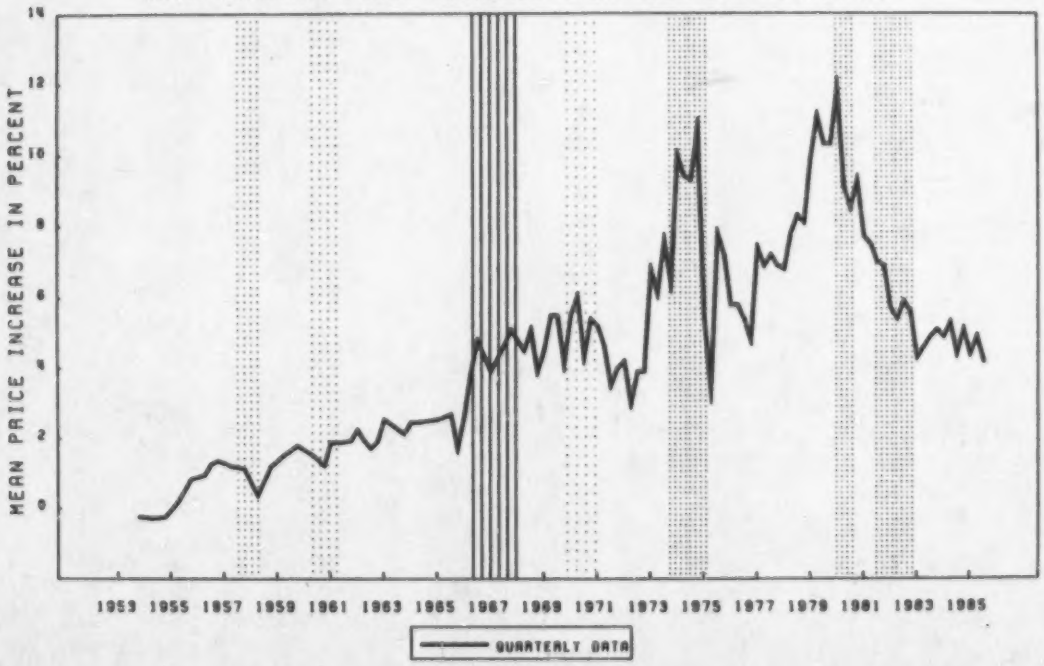


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| SAME OR DOWN | 26% | 32% | 38% | 32% | 27% | 24% | 24% | 19% | 24% | 23% | 26% | 20% | 25% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 8 | 5 | 9 | 9 | 13 | 12 | 14 | 14 | 16 | 14 | 15 | 16 | 18 |
| 3-4% | 10 | 10 | 12 | 14 | 15 | 15 | 18 | 16 | 17 | 16 | 19 | 20 | 19 |
| 5% | 16 | 15 | 15 | 17 | 16 | 16 | 16 | 18 | 17 | 17 | 15 | 18 | 15 |
| 6-9% | 13 | 10 | 7 | 10 | 8 | 9 | 8 | 11 | 7 | 8 | 6 | 7 | 7 |
| 10-14% | 13 | 13 | 8 | 9 | 9 | 11 | 10 | 11 | 8 | 10 | 9 | 9 | 7 |
| 15% or more | 8 | 9 | 6 | 5 | 6 | 6 | 5 | 6 | 5 | 6 | 5 | 6 | 5 |
| DK how much up | 4 | 4 | 3 | 3 | 4 | 5 | 4 | 4 | 4 | 4 | 4 | 2 | 3 |
| DK,NA | 2 | 2 | 2 | 1 | 2 | 2 | 1 | 1 | 2 | 2 | 1 | 2 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 5.9 | 5.6 | 4.3 | 4.6 | 4.9 | 5.1 | 4.9 | 5.3 | 4.4 | 5.1 | 4.4 | 4.9 | 4.2 |
| VARIANCE | 59 | 64 | 53 | 49 | 47 | 45 | 49 | 44 | 38 | 48 | 40 | 47 | 39 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| SAME OR DOWN | 25% | 32% | 39% | 29% | 26% | 24% | 25% | 18% | 24% | 20% | 27% | 19% | 23% |
| WILL GO UP BY: | | | | | | | | | | | | | |
| 1-2% | 8 | 5 | 10 | 9 | 14 | 13 | 15 | 15 | 18 | 14 | 18 | 15 | 20 |
| 3-4% | 11 | 10 | 13 | 15 | 18 | 16 | 20 | 19 | 19 | 20 | 22 | 25 | 21 |
| 5% | 17 | 16 | 18 | 19 | 18 | 18 | 18 | 19 | 20 | 20 | 16 | 19 | 17 |
| 6-9% | 16 | 12 | 7 | 12 | 9 | 13 | 10 | 13 | 8 | 9 | 5 | 8 | 6 |
| 10-14% | 12 | 14 | 6 | 9 | 8 | 9 | 7 | 10 | 5 | 10 | 6 | 8 | 7 |
| 15% or more | 7 | 7 | 4 | 4 | 4 | 4 | 2 | 4 | 3 | 4 | 4 | 4 | 3 |
| DK how much up | 3 | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 | 2 |
| DK,NA | 1 | 1 | 1 | 1 | 1 | 1 | 1 | * | 1 | 1 | * | 1 | 1 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| MEAN INCREASE | 5.5 | 5.3 | 3.6 | 4.3 | 4.1 | 4.4 | 3.9 | 4.8 | 3.7 | 4.7 | 3.7 | 4.4 | 3.7 |
| VARIANCE | 46 | 51 | 36 | 33 | 26 | 28 | 24 | 35 | 21 | 36 | 30 | 30 | 22 |

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 24 - RECENT CHANGES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

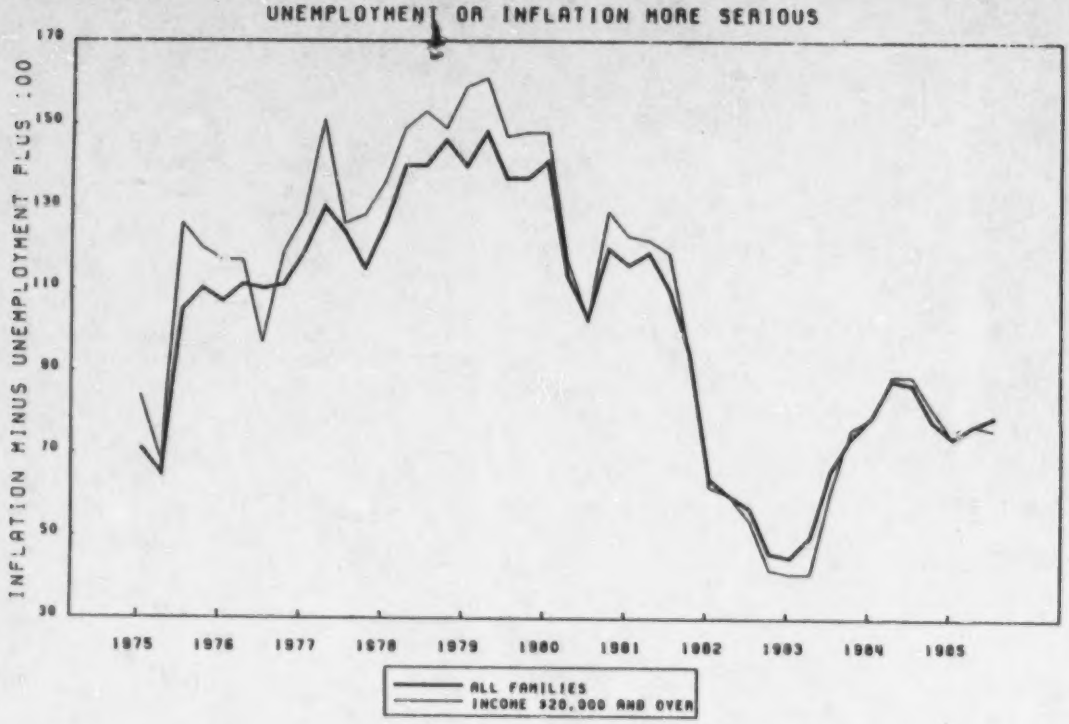



CHART 24 - HISTORICAL SERIES
UNEMPLOYMENT OR INFLATION MORE SERIOUS

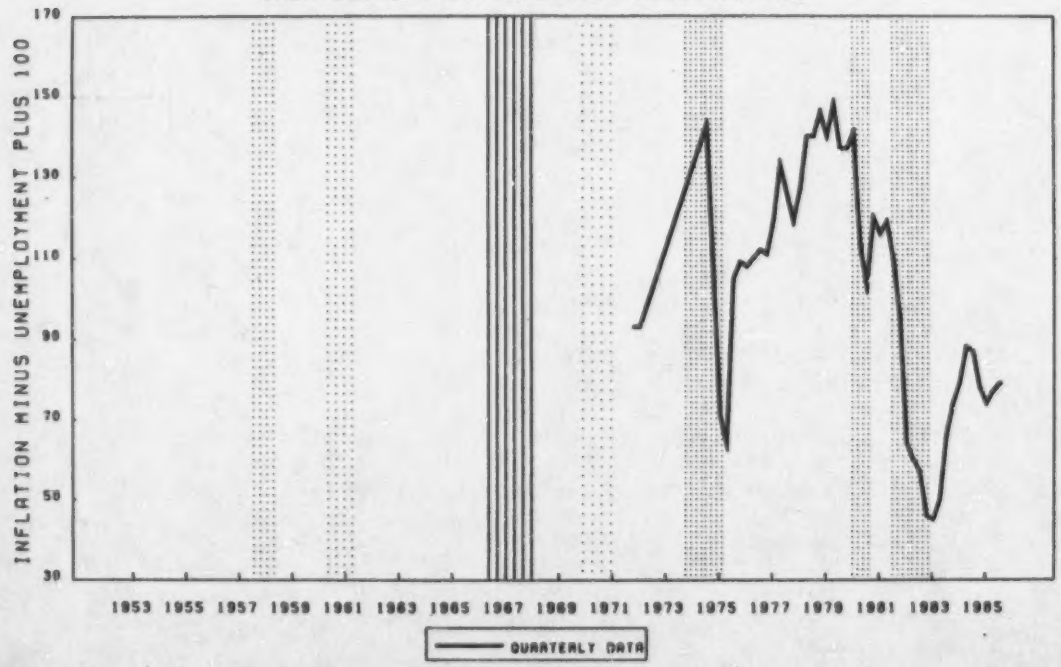


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| UNEMPLOYMENT | 66% | 72% | 73% | 71% | 63% | 59% | 56% | 53% | 52% | 57% | 59% | 58% | 56% |
| BOTH EQUALLY SERIOUS | 10 | 9 | 7 | 7 | 7 | 6 | 6 | 5 | 6 | 7 | 5 | 5 | 5 |
| INFLATION | 23 | 18 | 18 | 21 | 29 | 33 | 35 | 40 | 39 | 34 | 33 | 34 | 35 |
| DK,NA | 1 | 1 | 2 | 1 | 1 | 2 | 3 | 2 | 3 | 2 | 3 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| UNEMPLOYMENT | 69% | 76% | 76% | 77% | 66% | 59% | 58% | 53% | 53% | 55% | 60% | 59% | 59% |
| BOTH EQUALLY SERIOUS | 8 | 5 | 6 | 4 | 6 | 5 | 4 | 4 | 4 | 6 | 4 | 4 | 4 |
| INFLATION | 23 | 18 | 18 | 18 | 28 | 35 | 37 | 42 | 41 | 36 | 34 | 35 | 35 |
| DK,NA | * | 1 | * | 1 | * | 1 | 1 | 1 | 2 | 3 | 2 | 2 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

* : Less than half of one percent.

CHART 25 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

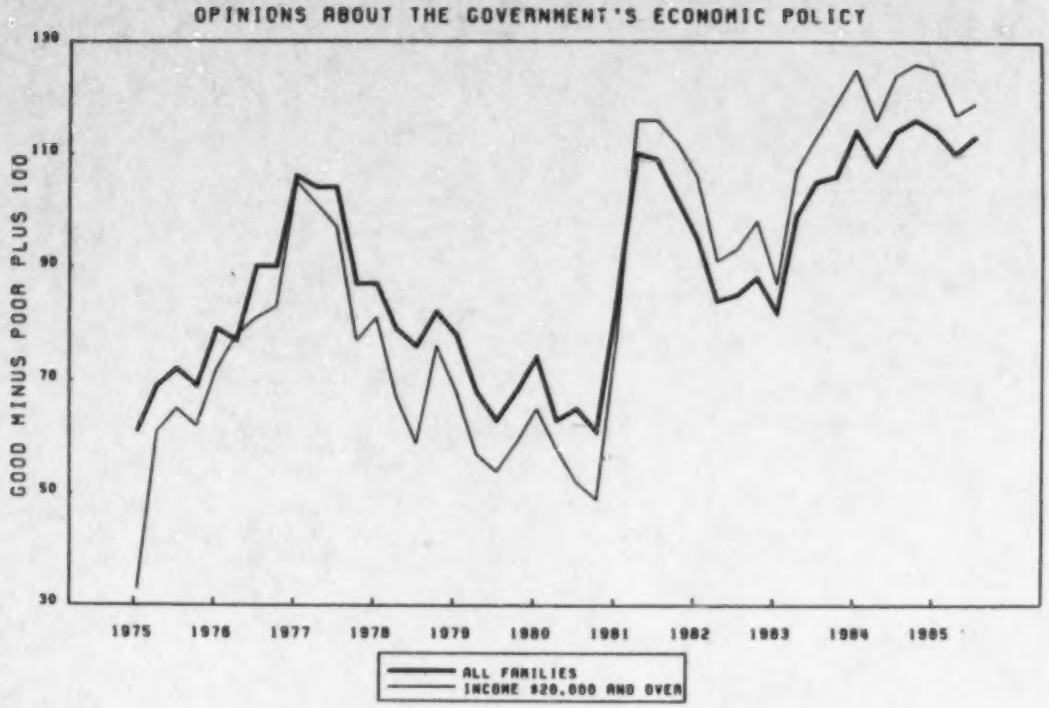



CHART 25 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

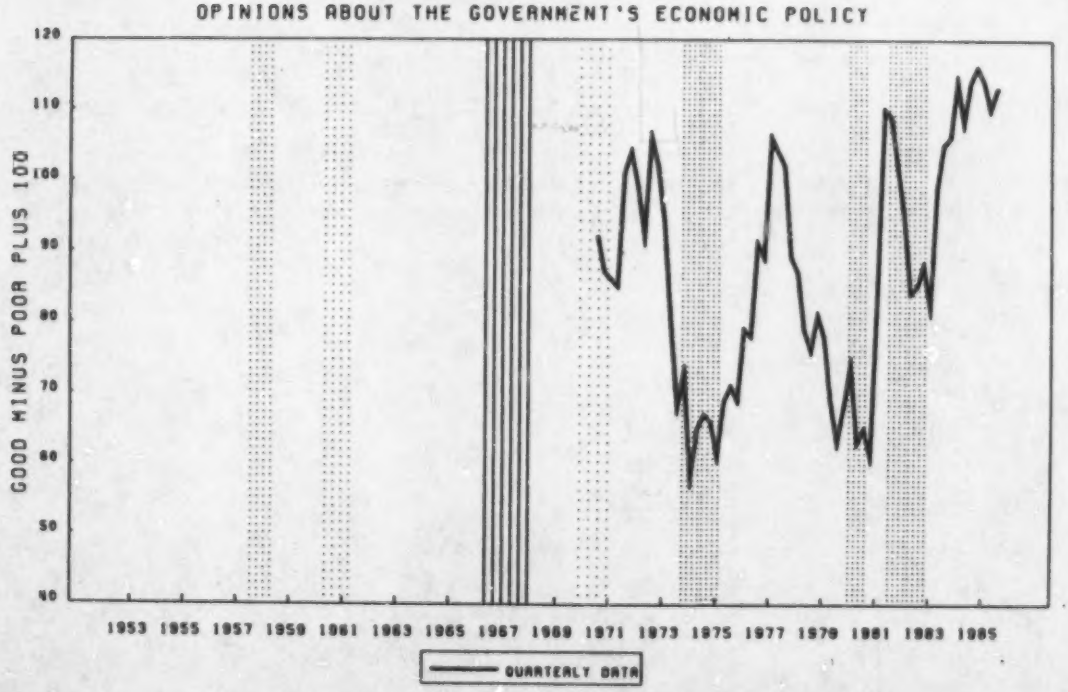


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| A GOOD JOB | 18% | 20% | 18% | 21% | 27% | 27% | 32% | 28% | 33% | 33% | 33% | 29% | 30% |
| ONLY FAIR | 46 | 44 | 44 | 54 | 49 | 50 | 48 | 50 | 46 | 47 | 46 | 51 | 51 |
| A POOR JOB | 33 | 32 | 36 | 23 | 22 | 21 | 18 | 20 | 19 | 18 | 19 | 18 | 16 |
| DK,NA | 3 | 4 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| A GOOD JOB | 22% | 25% | 19% | 25% | 31% | 33% | 38% | 31% | 38% | 40% | 39% | 34% | 33% |
| ONLY FAIR | 47 | 45 | 47 | 55 | 50 | 51 | 47 | 51 | 46 | 45 | 46 | 49 | 51 |
| A POOR JOB | 29 | 26 | 32 | 19 | 18 | 15 | 14 | 16 | 15 | 15 | 14 | 16 | 14 |
| DK,NA | 2 | 4 | 2 | 1 | 1 | 1 | 1 | 2 | 1 | * | 1 | 1 | 2 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

* : Less than half of one percent.

CHART 26 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

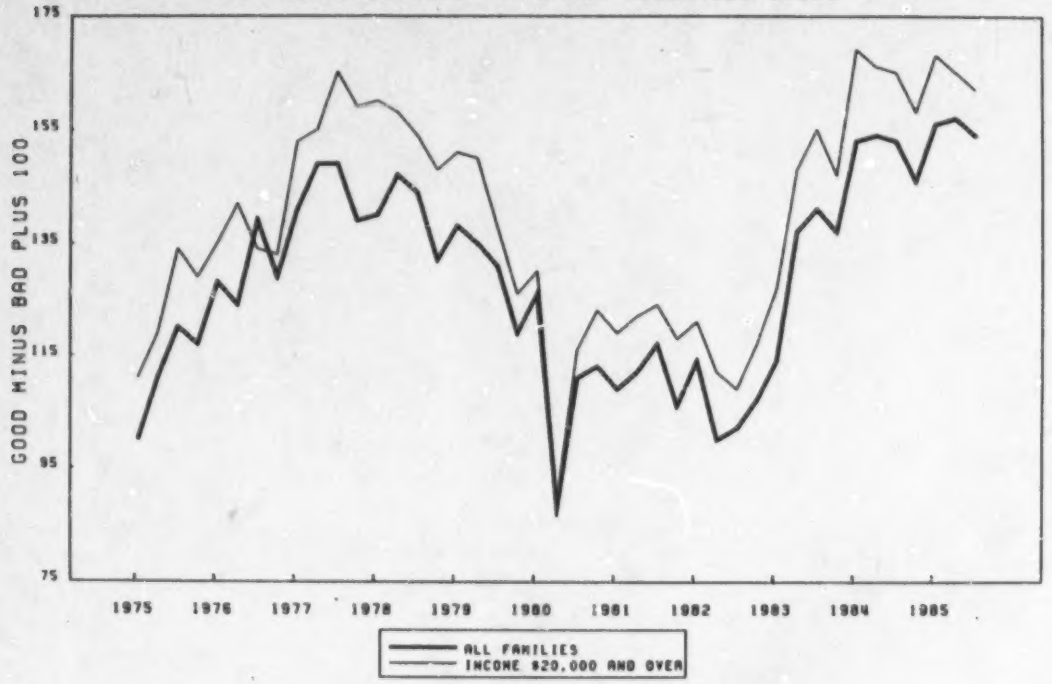



CHART 26 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

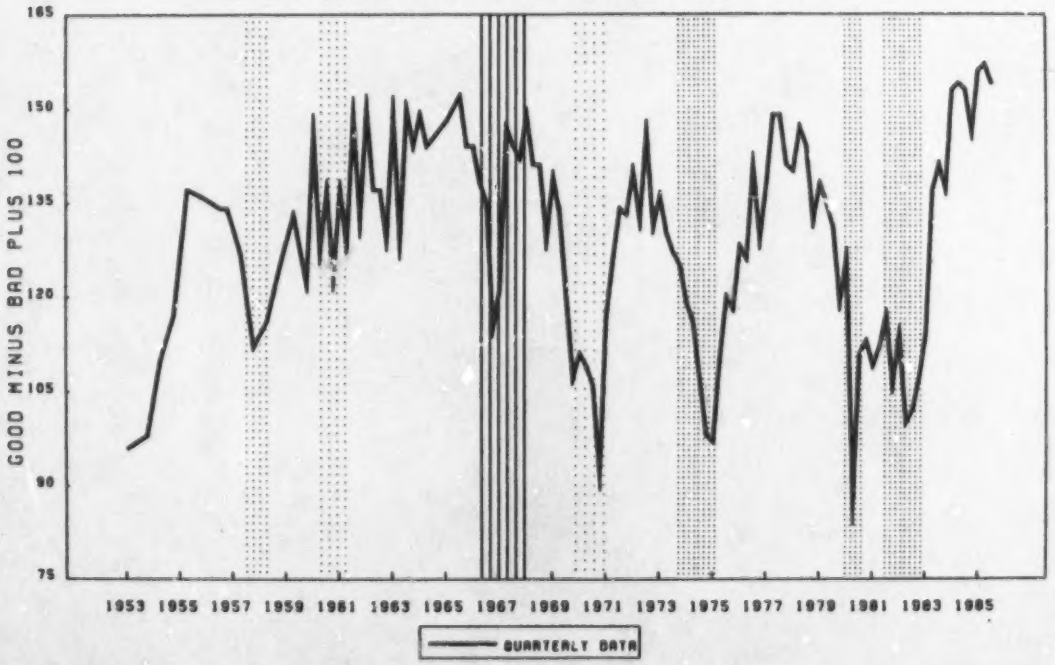


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIME TO BUY | 44% | 48% | 53% | 64% | 65% | 63% | 71% | 72% | 71% | 68% | 74% | 74% | 72% |
| UNCERTAIN, DEPENDS | 14 | 12 | 9 | 8 | 10 | 11 | 10 | 10 | 10 | 10 | 8 | 8 | 10 |
| BAD TIME TO BUY | 42 | 40 | 38 | 28 | 25 | 26 | 19 | 18 | 19 | 22 | 18 | 18 | 18 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIME TO BUY | 47% | 52% | 59% | 70% | 73% | 69% | 81% | 79% | 78% | 75% | 81% | 79% | 77% |
| UNCERTAIN, DEPENDS | 15 | 13 | 9 | 8 | 8 | 8 | 7 | 8 | 9 | 8 | 6 | 7 | 7 |
| BAD TIME TO BUY | 38 | 35 | 32 | 22 | 19 | 23 | 12 | 13 | 13 | 17 | 13 | 14 | 16 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

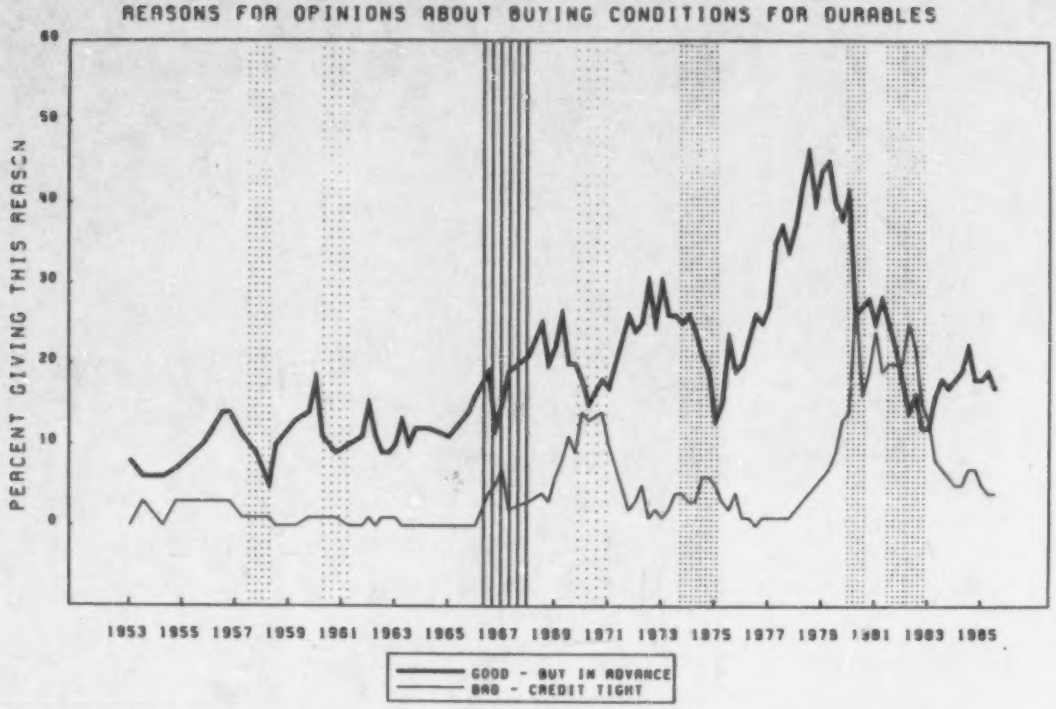



CHART 27B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

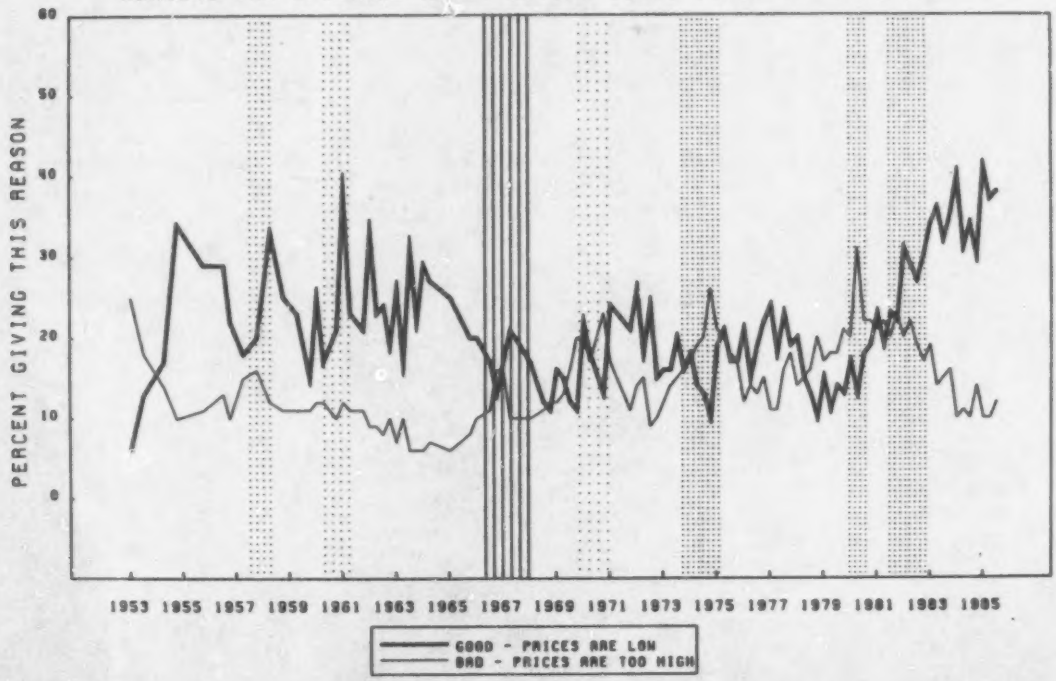


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 27% | 30% | 34% | 36% | 32% | 35% | 40% | 31% | 34% | 30% | 41% | 37% | 38% |
| Prices won't come down; are going higher | 16 | 12 | 12 | 16 | 18 | 17 | 18 | 19 | 22 | 18 | 18 | 19 | 17 |
| Interest rates low; credit is easy | 3 | 6 | 9 | 14 | 12 | 7 | 10 | 12 | 9 | 11 | 11 | 12 | 14 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 19 | 17 | 19 | 14 | 15 | 16 | 10 | 11 | 10 | 14 | 10 | 10 | 12 |
| Interest rates are high; credit is tight | 22 | 15 | 13 | 8 | 7 | 6 | 5 | 5 | 7 | 7 | 5 | 4 | 4 |
| Lack of purchasing power | 20 | 22 | 19 | 14 | 10 | 10 | 8 | 6 | 6 | 7 | 8 | 7 | 6 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 34% | 35% | 39% | 39% | 37% | 42% | 45% | 36% | 38% | 37% | 46% | 40% | 41% |
| Prices won't come down; are going higher | 17 | 12 | 14 | 19 | 20 | 18 | 21 | 22 | 22 | 19 | 19 | 21 | 17 |
| Interest rates low; credit is easy | 4 | 7 | 11 | 17 | 16 | 8 | 13 | 14 | 12 | 12 | 13 | 16 | 18 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 16 | 13 | 12 | 11 | 11 | 14 | 6 | 8 | 7 | 10 | 6 | 7 | 11 |
| Interest rates are high; credit is tight | 27 | 17 | 14 | 7 | 6 | 6 | 5 | 6 | 6 | 6 | 5 | 5 | 4 |
| Lack of purchasing power | 17 | 20 | 18 | 11 | 7 | 7 | 4 | 3 | 4 | 5 | 6 | 6 | 5 |

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

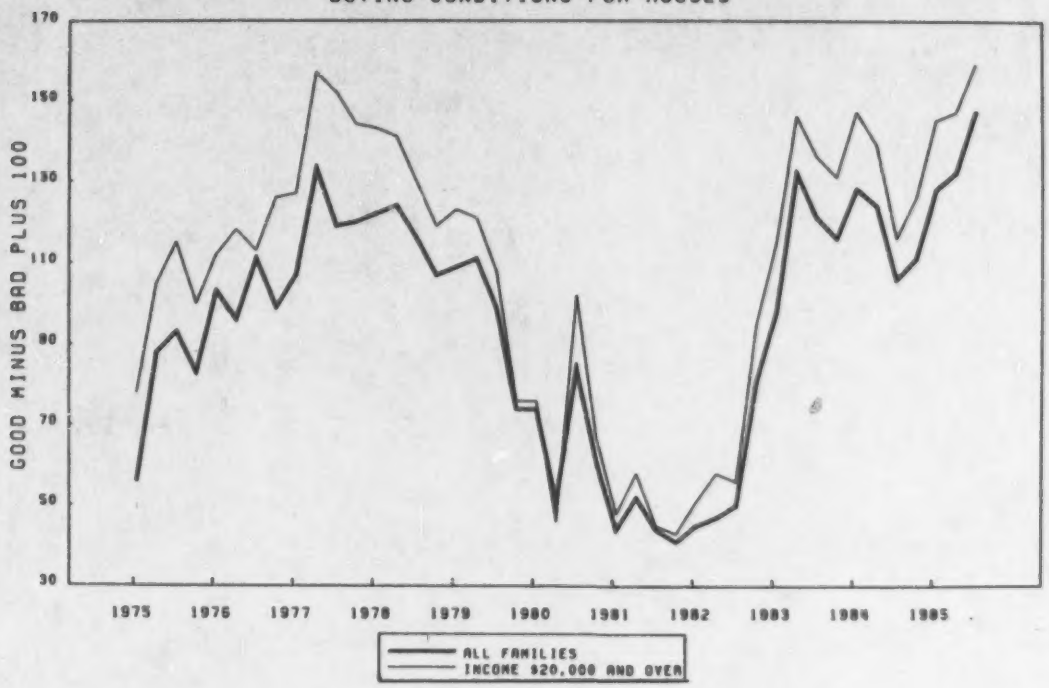



CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

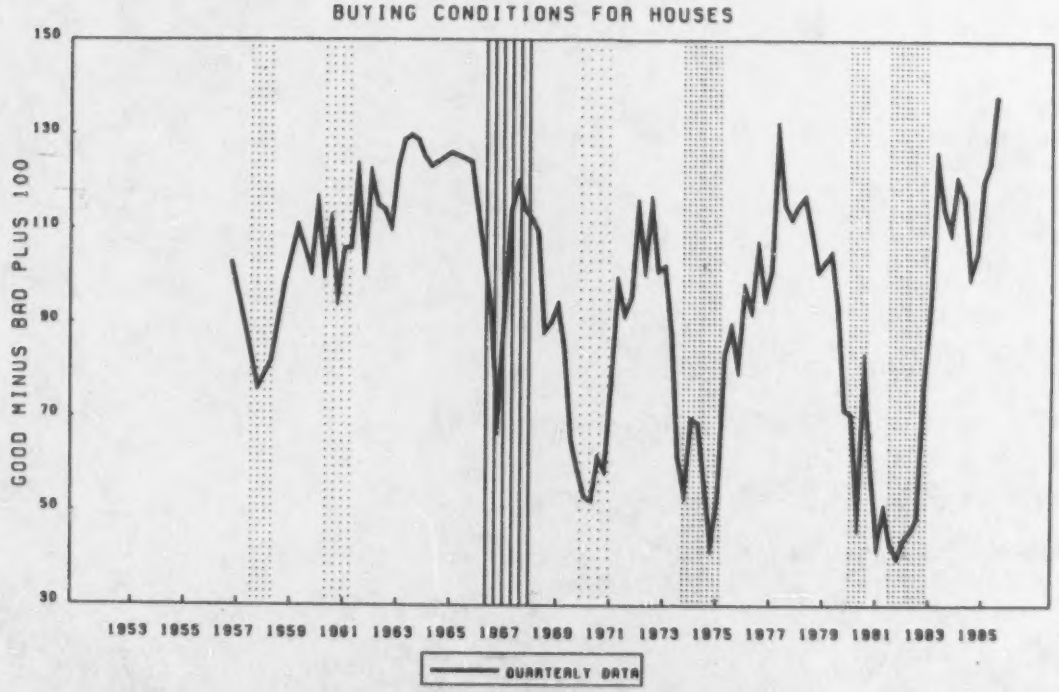


TABLE 28

BUYING CONDITIONS FOR HOUSES

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIME TO BUY | 21% | 38% | 48% | 64% | 58% | 55% | 61% | 59% | 50% | 53% | 62% | 64% | 71% |
| UNCERTAIN, DEPENDS | 8 | 5 | 2 | 4 | 4 | 6 | 5 | 5 | 6 | 5 | 4 | 4 | 5 |
| BAD TIME TO BUY | 71 | 57 | 50 | 32 | 38 | 39 | 34 | 36 | 44 | 42 | 34 | 32 | 24 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIME TO BUY | 24% | 45% | 56% | 72% | 66% | 63% | 72% | 68% | 55% | 61% | 71% | 72% | 78% |
| UNCERTAIN, DEPENDS | 7 | 5 | 2 | 2 | 4 | 4 | 4 | 3 | 5 | 4 | 3 | 3 | 2 |
| BAD TIME TO BUY | 69 | 50 | 42 | 26 | 30 | 33 | 24 | 29 | 40 | 35 | 26 | 25 | 20 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

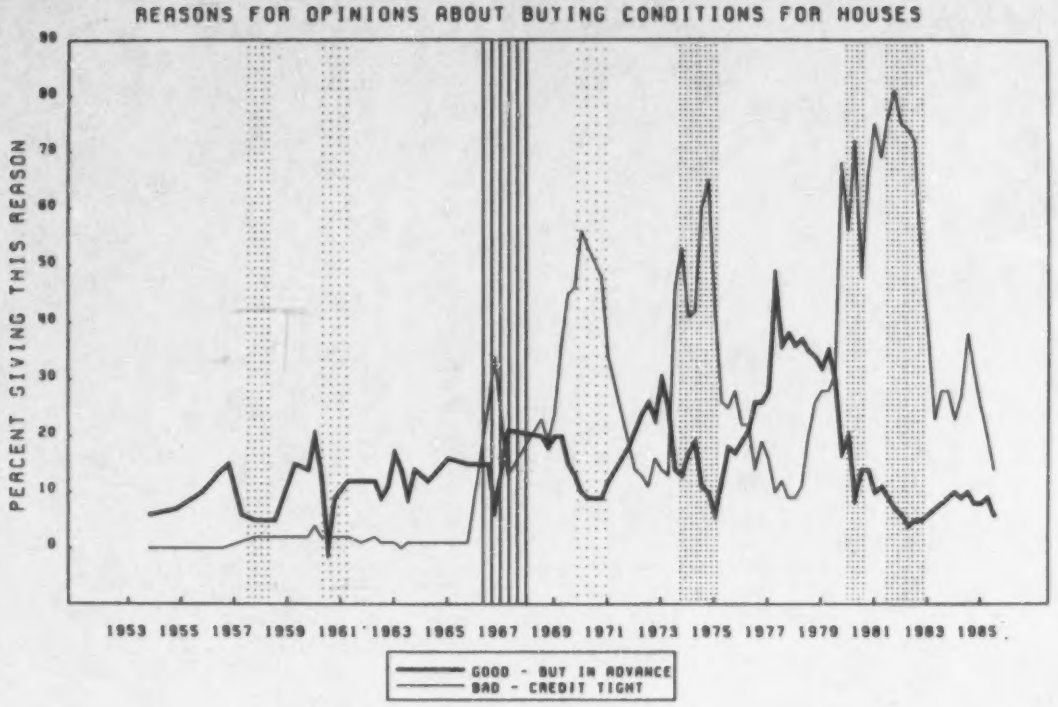



CHART 29B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

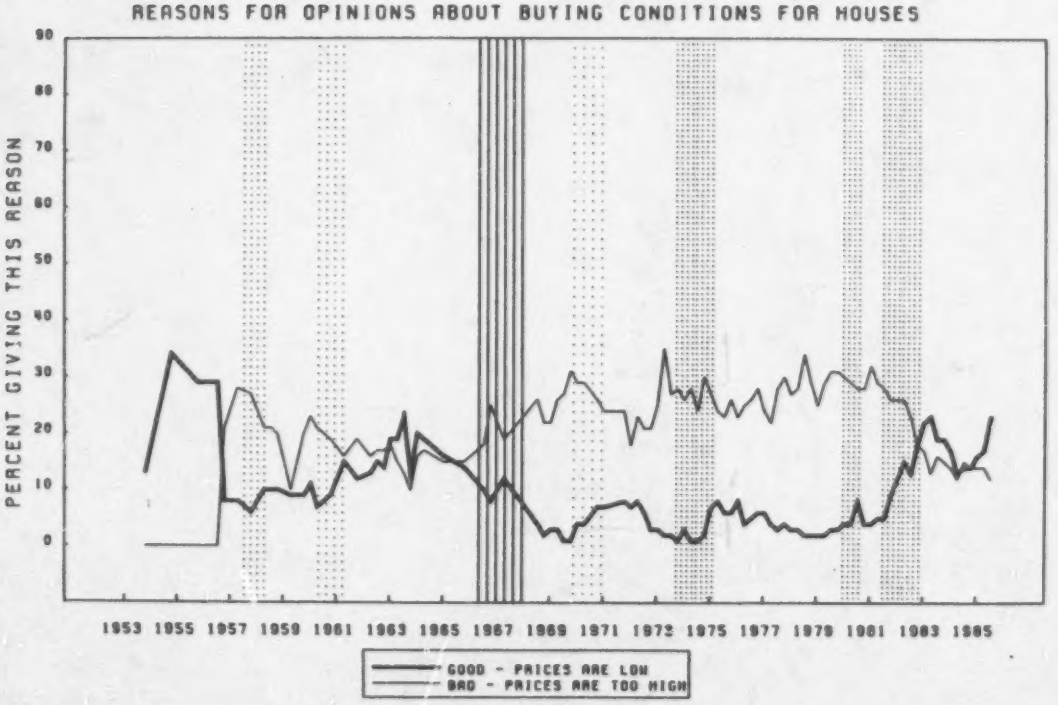


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 13% | 18% | 22% | 23% | 19% | 19% | 17% | 13% | 14% | 14% | 16% | 17% | 23% |
| Prices won't come down; are going higher | 5 | 5 | 6 | 7 | 8 | 9 | 10 | 9 | 10 | 8 | 8 | 9 | 6 |
| Interest rates low; credit is easy | 10 | 29 | 40 | 57 | 47 | 40 | 47 | 45 | 35 | 39 | 49 | 49 | 57 |
| Good investment | 3 | 4 | 4 | 5 | 6 | 6 | 7 | 6 | 5 | 6 | 6 | 6 | 5 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 23 | 18 | 17 | 13 | 16 | 15 | 14 | 12 | 15 | 14 | 14 | 14 | 12 |
| Interest rates are high; credit is tight | 72 | 50 | 38 | 23 | 28 | 28 | 23 | 27 | 38 | 31 | 25 | 20 | 14 |
| Lack of purchasing power | 23 | 23 | 22 | 14 | 13 | 15 | 11 | 11 | 11 | 12 | 11 | 12 | 10 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 19% | 24% | 27% | 28% | 23% | 23% | 21% | 16% | 17% | 18% | 21% | 22% | 26% |
| Prices won't come down; are going higher | 4 | 5 | 7 | 8 | 9 | 9 | 10 | 12 | 12 | 9 | 9 | 10 | 7 |
| Interest rates low; credit is easy | 13 | 36 | 50 | 66 | 56 | 49 | 59 | 54 | 43 | 47 | 60 | 59 | 68 |
| Good investment | 3 | 5 | 5 | 5 | 7 | 6 | 9 | 8 | 6 | 6 | 7 | 6 | 5 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 18 | 16 | 13 | 9 | 12 | 13 | 11 | 10 | 12 | 11 | 11 | 11 | 9 |
| Interest rates are high; credit is tight | 77 | 48 | 37 | 21 | 27 | 26 | 19 | 26 | 38 | 31 | 22 | 20 | 13 |
| Lack of purchasing power | 18 | 16 | 16 | 9 | 10 | 9 | 5 | 7 | 8 | 7 | 7 | 8 | 7 |

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

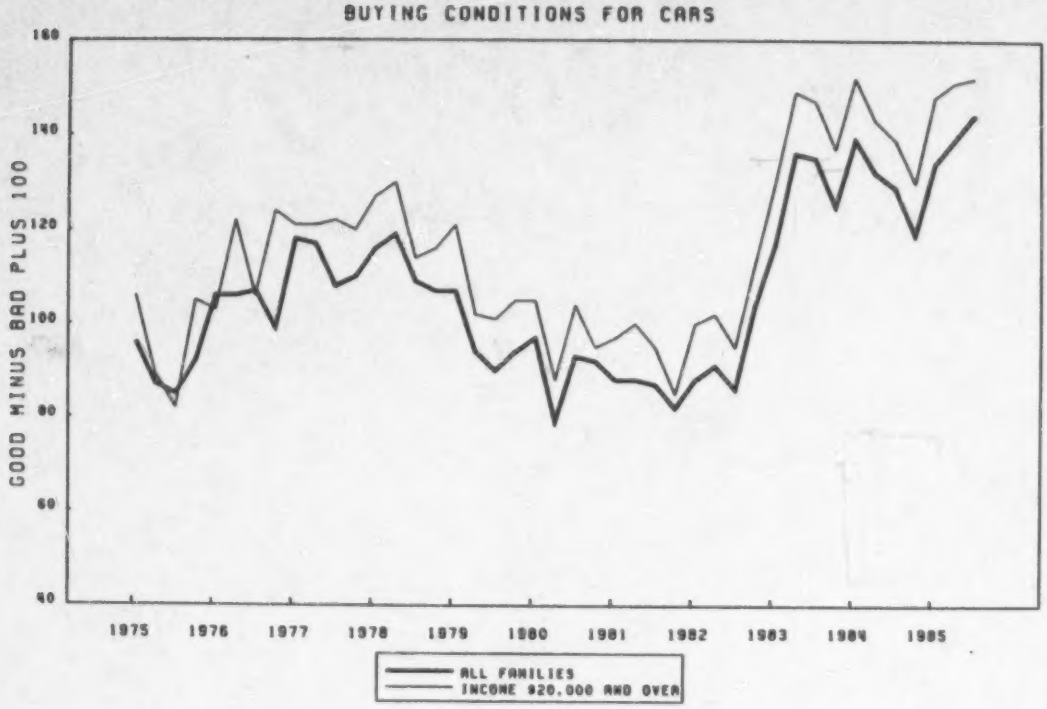



CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

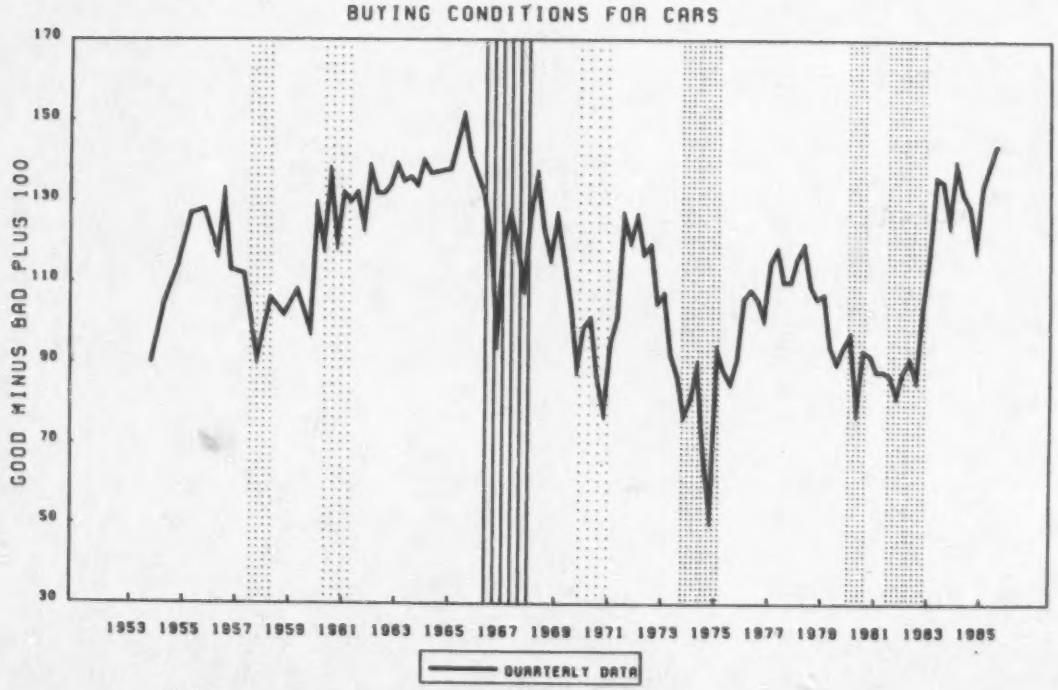


TABLE 30

BUYING CONDITIONS FOR CARS

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIME TO BUY | 37% | 47% | 55% | 65% | 64% | 58% | 64% | 61% | 60% | 55% | 63% | 67% | 67% |
| UNCERTAIN; DEPENDS | 11 | 9 | 7 | 6 | 7 | 9 | 11 | 10 | 9 | 10 | 8 | 6 | 9 |
| BAD TIME TO BUY | 52 | 44 | 38 | 29 | 29 | 33 | 25 | 29 | 31 | 35 | 29 | 27 | 24 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIME TO BUY | 43% | 53% | 61% | 72% | 72% | 65% | 72% | 68% | 66% | 61% | 71% | 73% | 72% |
| UNCERTAIN; DEPENDS | 9 | 8 | 8 | 5 | 4 | 7 | 7 | 7 | 7 | 7 | 5 | 4 | 7 |
| BAD TIME TO BUY | 48 | 39 | 31 | 23 | 24 | 28 | 21 | 25 | 27 | 32 | 24 | 23 | 21 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

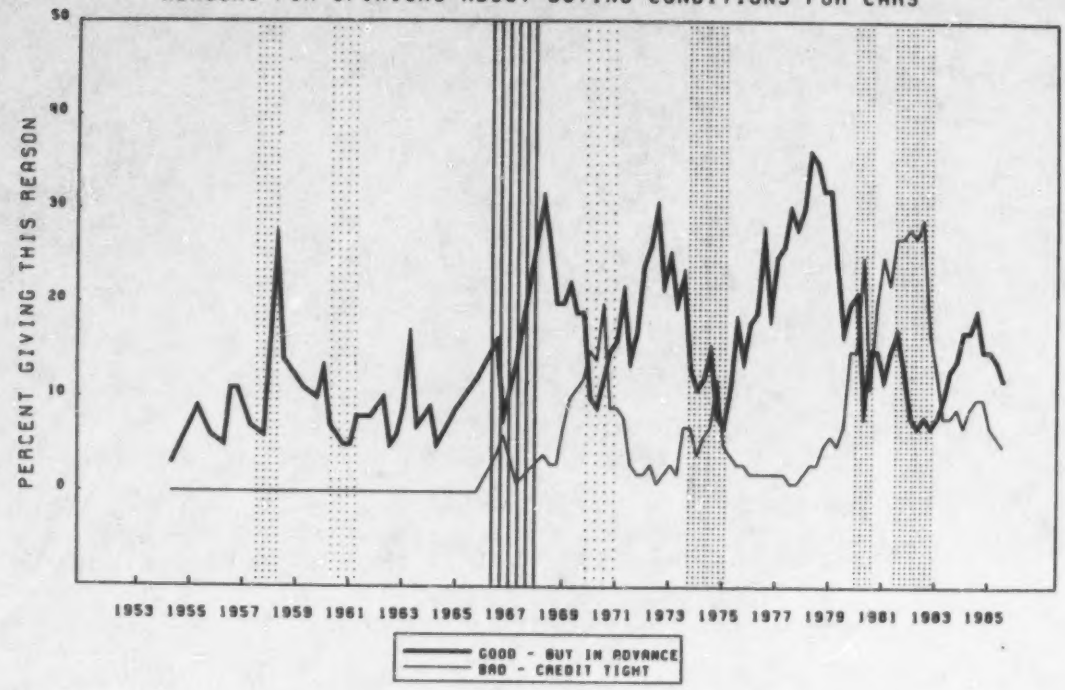



CHART 31B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

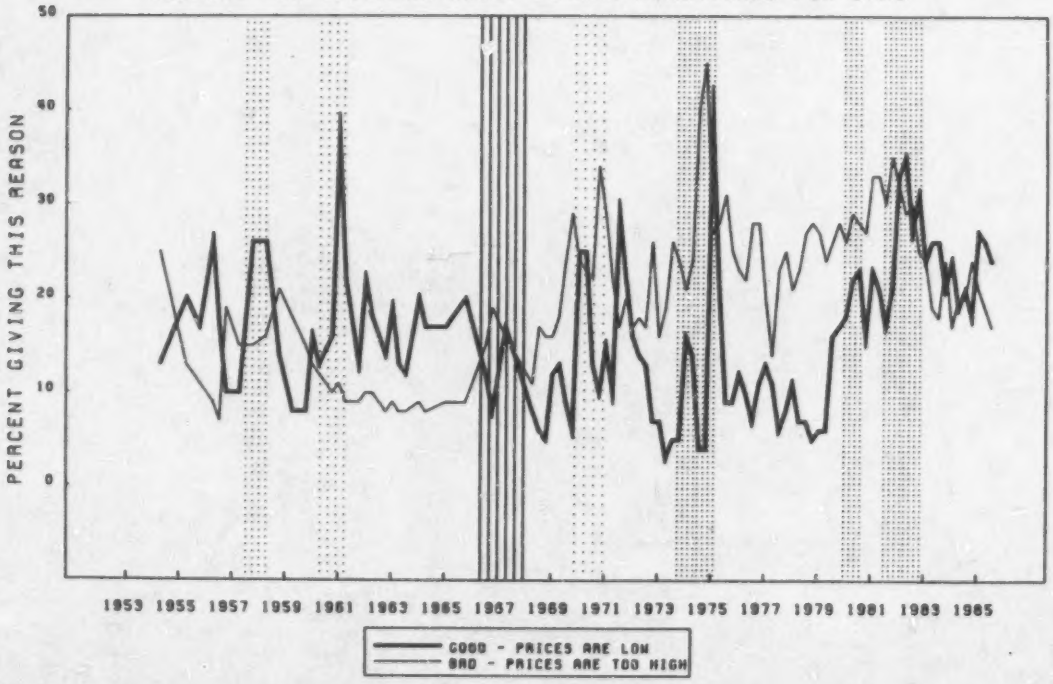


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 27% | 31% | 24% | 26% | 26% | 21% | 24% | 19% | 21% | 18% | 27% | 26% | 24% |
| Prices won't come down; are going higher | 8 | 7 | 8 | 10 | 13 | 14 | 17 | 17 | 19 | 15 | 15 | 14 | 12 |
| Interest rates low; credit is easy | 7 | 19 | 33 | 40 | 33 | 20 | 22 | 19 | 19 | 16 | 23 | 29 | 39 |
| New fuel efficient models | 1 | 1 | 2 | 1 | 2 | 2 | 1 | 2 | 1 | 1 | 1 | 1 | 1 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 30 | 25 | 24 | 19 | 18 | 24 | 17 | 20 | 20 | 24 | 21 | 19 | 17 |
| Interest rates are high; credit is tight | 29 | 17 | 13 | 8 | 8 | 9 | 7 | 9 | 10 | 10 | 7 | 6 | 5 |
| Lack of purchasing power | 13 | 14 | 11 | 7 | 7 | 6 | 4 | 4 | 5 | 7 | 6 | 5 | 5 |
| Price of gas; shortages | 1 | 1 | * | 1 | * | * | * | * | * | * | * | * | * |
| Poor selection; quality | 8 | 7 | 5 | 5 | 4 | 6 | 4 | 3 | 4 | 4 | 4 | 4 | 3 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| GOOD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are low; good buys available | 35% | 34% | 30% | 30% | 30% | 24% | 28% | 21% | 24% | 21% | 32% | 29% | 27% |
| Prices won't come down; are going higher | 9 | 6 | 8 | 11 | 15 | 16 | 19 | 20 | 22 | 17 | 15 | 17 | 11 |
| Interest rates low; credit is easy | 10 | 25 | 39 | 46 | 41 | 24 | 28 | 24 | 23 | 19 | 31 | 36 | 47 |
| New fuel efficient models | 2 | 1 | 1 | 1 | 1 | 3 | 1 | 2 | 2 | 1 | 1 | 2 | 1 |
| BAD TIME TO BUY: | | | | | | | | | | | | | |
| Prices are high | 29 | 25 | 20 | 17 | 16 | 22 | 16 | 17 | 19 | 22 | 18 | 16 | 14 |
| Interest rates are high; credit is tight | 30 | 19 | 13 | 6 | 7 | 9 | 7 | 9 | 11 | 10 | 7 | 6 | 5 |
| Lack of purchasing power | 10 | 10 | 5 | 4 | 5 | 4 | 2 | 3 | 3 | 5 | 3 | 4 | 3 |
| Price of gas; shortages | 1 | * | * | * | * | * | * | * | * | * | * | * | * |
| Poor selection; quality | 8 | 7 | 6 | 4 | 4 | 5 | 3 | 3 | 3 | 4 | 4 | 3 | 3 |

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

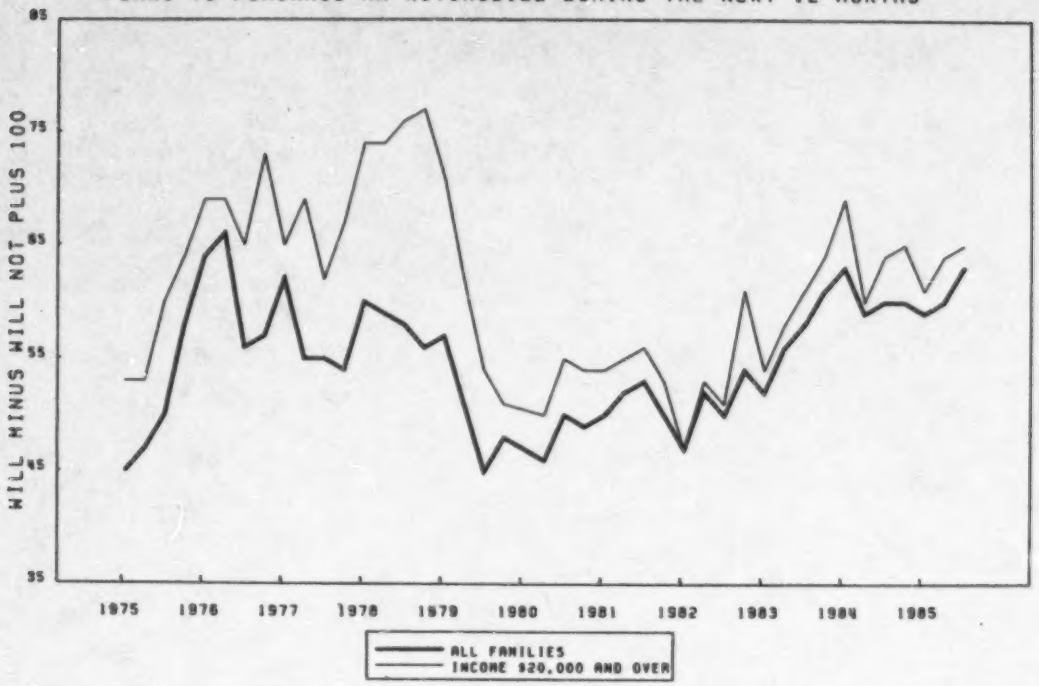



CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

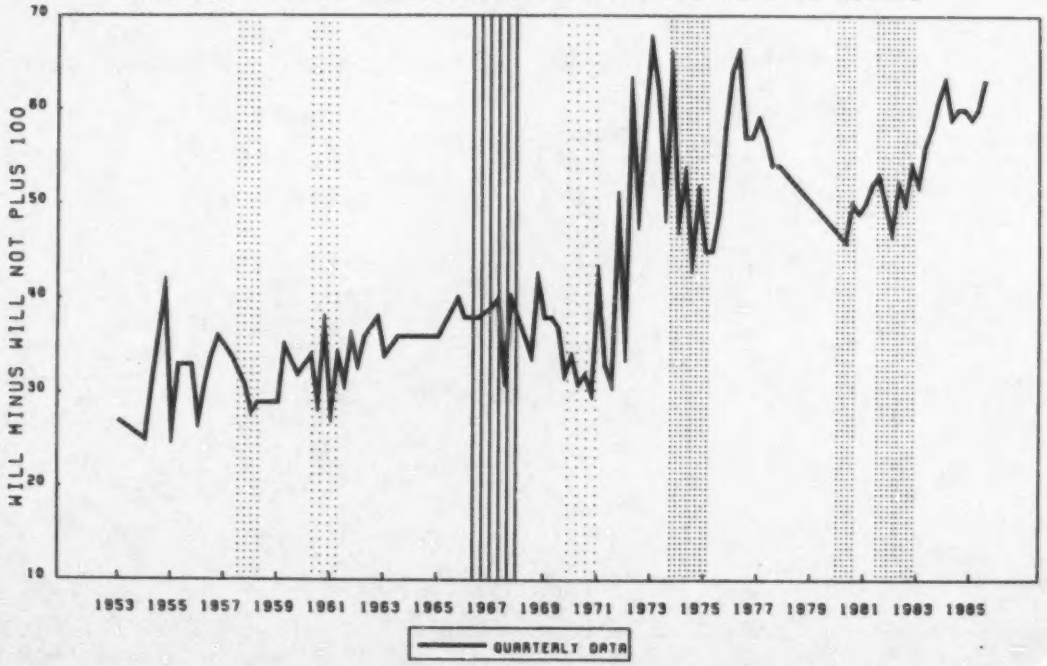


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| PROBABLY WILL BUY | 16% | 19% | 17% | 19% | 20% | 21% | 22% | 20% | 21% | 20% | 19% | 20% | 22% |
| CHANCES ARE EVEN | 7 | 8 | 8 | 8 | 7 | 9 | 9 | 9 | 8 | 9 | 9 | 8 | 7 |
| PROBABLY WILL NOT BUY | 67 | 65 | 65 | 62 | 62 | 60 | 59 | 61 | 61 | 61 | 61 | 60 | 59 |
| DK,NA | 10 | 8 | 10 | 11 | 11 | 10 | 10 | 10 | 10 | 10 | 11 | 12 | 12 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| PROBABLY WILL BUY | 21% | 25% | 22% | 23% | 25% | 26% | 29% | 24% | 26% | 27% | 25% | 26% | 27% |
| CHANCES ARE EVEN | 7 | 8 | 8 | 9 | 8 | 9 | 10 | 9 | 8 | 9 | 9 | 8 | 7 |
| PROBABLY WILL NOT BUY | 70 | 64 | 68 | 65 | 64 | 62 | 59 | 63 | 62 | 62 | 63 | 63 | 62 |
| DK,NA | 2 | 3 | 2 | 3 | 3 | 3 | 2 | 4 | 4 | 2 | 3 | 3 | 4 |
| TOTAL | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 23% | 27% | 25% | 27% | 27% | 30% | 31% | 29% | 29% | 29% | 28% | 28% | 29% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 11 | 12 | 12 | 13 | 13 | 17 | 15 | 15 | 14 | 14 | 15 | 15 | 14 |
| Buy used | 10 | 12 | 11 | 12 | 12 | 10 | 14 | 12 | 12 | 13 | 12 | 11 | 13 |
| Lease | 1 | 2 | 1 | 1 | 1 | 2 | 1 | 1 | 2 | 1 | 1 | 1 | 1 |
| DK,NA | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | * | 1 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 4 | 4 | 3 | 3 | 4 | 4 | 3 | 4 | 4 | 5 | 3 | 5 | 5 |
| Next 4-6 months | 5 | 6 | 6 | 8 | 6 | 6 | 9 | 8 | 6 | 6 | 8 | 8 | 6 |
| Next 7-9 months | 3 | 6 | 7 | 8 | 4 | 9 | 7 | 7 | 4 | 8 | 9 | 6 | 5 |
| 10 months or more | 5 | 6 | 5 | 3 | 7 | 7 | 6 | 5 | 8 | 6 | 5 | 5 | 8 |
| DK,NA | 6 | 5 | 4 | 5 | 6 | 4 | 6 | 5 | 7 | 4 | 3 | 4 | 5 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| PROPORTION WITH CURRENT PURCHASE INTENTIONS: | 28% | 33% | 30% | 32% | 33% | 35% | 39% | 33% | 34% | 36% | 34% | 34% | 34% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Buy new | 15 | 17 | 17 | 18 | 17 | 22 | 21 | 17 | 20 | 20 | 22 | 20 | 18 |
| Buy used | 11 | 13 | 11 | 12 | 13 | 10 | 15 | 13 | 11 | 13 | 10 | 11 | 13 |
| Lease | 1 | 2 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| DK,NA | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | * | 1 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Next 3 months | 5 | 4 | 3 | 4 | 5 | 5 | 5 | 5 | 5 | 7 | 5 | 6 | 6 |
| Next 4-6 months | 6 | 7 | 8 | 10 | 8 | 8 | 12 | 9 | 9 | 8 | 11 | 11 | 7 |
| Next 7-9 months | 5 | 8 | 7 | 8 | 4 | 10 | 10 | 9 | 5 | 10 | 11 | 7 | 7 |
| 10 months or more | 6 | 8 | 7 | 4 | 10 | 8 | 7 | 5 | 9 | 8 | 5 | 5 | 9 |
| DK,NA | 6 | 6 | 5 | 6 | 6 | 4 | 5 | 5 | 6 | 3 | 2 | 5 | 5 |

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

| | Jul-Sept 1982 | Oct-Dec. 1982 | Jan-Mar. 1983 | Apr-June 1983 | Jul-Sept 1983 | Oct-Dec. 1983 | Jan-Mar. 1984 | Apr-June 1984 | Jul-Sept 1984 | Oct-Dec. 1984 | Jan-Mar. 1985 | Apr-June 1985 | Jul-Sept 1985 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| A. ALL FAMILIES | | | | | | | | | | | | | |
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 67% | 65% | 65% | 62% | 62% | 60% | 59% | 61% | 61% | 61% | 61% | 60% | 59% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 38 | 37 | 33 | 37 | 34 | 35 | 33 | 34 | 34 | 33 | 34 | 35 | 34 |
| Would buy used | 27 | 26 | 30 | 24 | 26 | 24 | 24 | 26 | 25 | 27 | 26 | 24 | 24 |
| DK,NA | 2 | 2 | 2 | 1 | 2 | 1 | 2 | 1 | 2 | 1 | 1 | 1 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 5 | 6 | 7 | 7 | 8 | 6 | 7 | 7 | 6 | 7 | 8 | 7 | 5 |
| 2 years | 21 | 22 | 20 | 22 | 22 | 20 | 19 | 21 | 21 | 21 | 19 | 22 | 20 |
| 3 years | 12 | 10 | 10 | 11 | 9 | 10 | 9 | 9 | 10 | 10 | 10 | 11 | 11 |
| 4 years or more | 20 | 18 | 21 | 18 | 17 | 18 | 17 | 17 | 16 | 16 | 18 | 15 | 20 |
| Indefinite | 3 | 3 | 2 | 1 | 2 | 1 | 3 | 2 | 3 | 2 | 2 | 1 | 1 |
| DK,NA | 6 | 6 | 5 | 3 | 4 | 5 | 4 | 5 | 5 | 5 | 4 | 4 | 2 |
| B. FAMILIES WITH INCOMES OF $20,000 AND OVER | | | | | | | | | | | | | |
| PROPORTION WITH FUTURE PURCHASE INTENTIONS: | 70% | 64% | 68% | 65% | 64% | 62% | 59% | 63% | 62% | 62% | 63% | 63% | 62% |
| PURCHASE TYPE: | | | | | | | | | | | | | |
| Would buy new | 48 | 40 | 41 | 42 | 41 | 42 | 38 | 42 | 38 | 39 | 40 | 42 | 41 |
| Would buy used | 21 | 22 | 26 | 22 | 22 | 19 | 19 | 20 | 22 | 22 | 23 | 20 | 20 |
| DK,NA | 1 | 2 | 1 | 1 | 1 | 1 | 2 | 1 | 2 | 1 | * | 1 | 1 |
| PURCHASE TIMING: | | | | | | | | | | | | | |
| Less than 2 years | 5 | 7 | 8 | 8 | 9 | 6 | 8 | 7 | 7 | 6 | 8 | 7 | 4 |
| 2 years | 25 | 24 | 25 | 24 | 26 | 23 | 21 | 24 | 24 | 25 | 23 | 24 | 23 |
| 3 years | 15 | 11 | 11 | 12 | 10 | 12 | 11 | 10 | 11 | 11 | 12 | 14 | 12 |
| 4 years or more | 19 | 17 | 21 | 18 | 16 | 17 | 16 | 18 | 17 | 17 | 18 | 15 | 20 |
| Indefinite | 2 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| DK,NA | 4 | 3 | 2 | 2 | 2 | 3 | 2 | 3 | 2 | 2 | 1 | 2 | 2 |

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

* : Less than half of one percent.

# EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

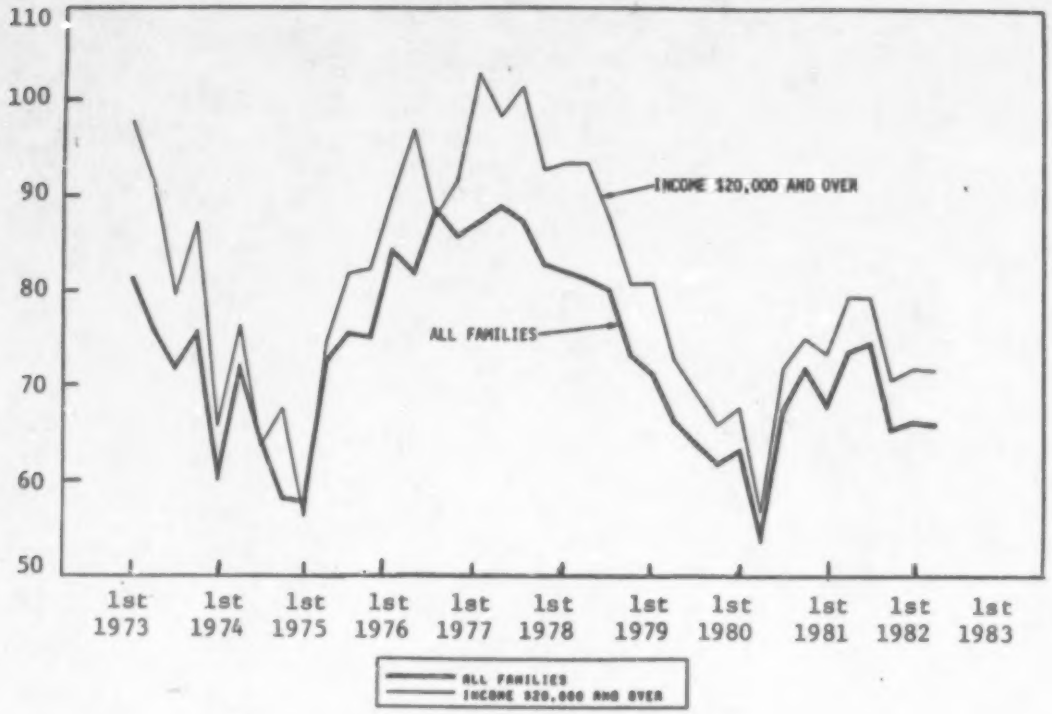
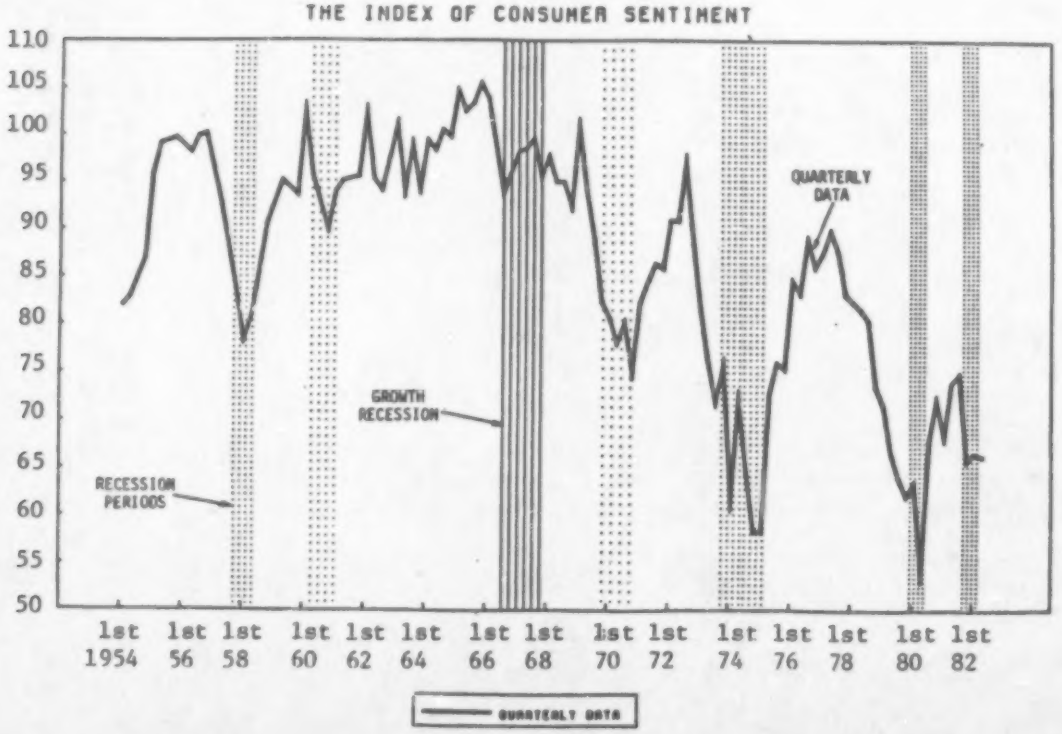



CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



## DESCRIPTION OF CHART LINES

ALL FAMILIES: Quarterly data for the total sample.

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978, and collected in three monthly surveys per quarter from 1978 to the present.

## TIME SCALE LABELS

Each tic mark on the time scale represents the first quarter of the indicated year.

## NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:

| | | | | |
|---|---|---|---|---|
| November | 1948 | - | October | 1949 |
| July | 1953 | - | May | 1954 |
| August | 1957 | - | April | 1958 |
| April | 1960 | - | February | 1961 |
| June | 1966 | - | November | 1967* |
| December | 1969 | - | November | 1970 |
| November | 1973 | - | March | 1975 |
| January | 1980 | - | July | 1980 |
| July | 1981 | - | November | 1982 |

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

| Reported Percentages | Number of Interviews | | |
|---|---|---|---|
| | 700[b] | 1,400[c] | 2,100[d] |
| 50 | 4.2 | 3.2 | 2.8 |
| 30 or 70 | 3.8 | 2.9 | 2.5 |
| 20 or 80 | 3.4 | 2.6 | 2.2 |
| 10 or 90 | 2.5 | 1.9 | 1.6 |
| 5 or 95 | 1.8 | 1.4 | 1.2 |

[a]The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b]Average size of monthly surveys.

[c]Average size of two monthly surveys.

[d]Average size of three monthly surveys (one quarter).